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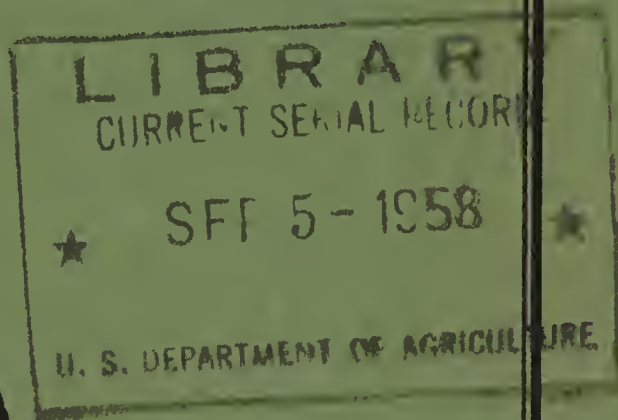
UNITED STATES DEPARTMENT OF AGRICULTURE
COMMODITY EXCHANGE AUTHORITY

COMMODITY EXCHANGE ACT AS AMENDED

REGULATIONS OF THE SECRETARY OF AGRICULTURE THEREUNDER

ORDERS OF COMMODITY EXCHANGE COMMISSION
PURSUANT TO SECTION 4a, AND ORDER OF SECRETARY OF
AGRICULTURE PURSUANT TO SECTION 5a(4), OF ACT

REVISED TO
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United States Department of Agriculture

Commodity Exchange Authority

CONTENTS

	Page		Page
Commodity Exchange Act, as amended.....	1	Regulations—Continued	
Regulations of Secretary of Agriculture under the Commodity Exchange Act, as amended..	18	Part 7—Special provisions applicable to mill-feeds.....	61
Part 1—General provisions.....	18	Part 8—Special provisions applicable to wool and wool tops.....	66
Part 2—Special provisions applicable to grains, flaxseed, and soybeans.....	35	Part 9—Special provisions applicable to fats..	70
Part 3—Special provisions applicable to cotton.....	40	Part 10—Special provisions applicable to oils..	74
Part 4—Special provisions applicable to butter.....	46	Part 11—Special provisions applicable to cottonseed meal and soybean meal.....	79
Part 5—Special provisions applicable to eggs..	50	Order of Secretary of Agriculture under section 5a (4) of the Commodity Exchange Act.....	84
Part 6—Special provisions applicable to potatoes and onions.....	56	Orders of Commodity Exchange Commission under section 4a of the Commodity Exchange Act.....	86

COMMODITY EXCHANGE ACT, AS AMENDED

[Grain Futures Act of September 21, 1922 (42 Stat. 998), as amended June 15, 1936 (49 Stat. 1491), April 7, 1938 (52 Stat. 205), Oct. 9, 1940 (54 Stat. 1059), December 19, 1947 (61 Stat. 941), June 25, 1948 (62 Stat. 992), May 24, 1949 (63 Stat. 107), August 28, 1954 (68 Stat. 913), June 16, 1955 (69 Stat. 160), July 26, 1955 (69 Stat. 375), August 5, 1955 (69 Stat. 535), and July 24, 1956 (70 Stat. 630); 7 U. S. C. 1–17a].

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Commodity Exchange Act.”*¹

SEC. 2. (a)² For the purposes of this Act “contract of sale” shall be held to include sales, agreements of sale, and agreements to sell. The word “person” shall be construed to import the plural or singular, and shall include individuals, associations, partnerships, corporations, and trusts. The word “commodity” shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, onions, *Solanum tuberosum* (Irish potatoes), wool, wool tops, fats and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans and soybean meal. The term “future delivery” as used herein, shall not include any sale of any cash commodity for deferred shipment or delivery. The words “board of trade” shall be held to include and mean any exchange or association, whether incorporated or unincorporated, of persons who shall be engaged in the business of buying or selling any commodity or receiving the same for sale on consignment. The act, omission, or

¹ Prior to amendment of June 15, 1936, this section read: “That this Act may be cited as ‘The Grain Futures Act.’”

² As amended June 15, 1936, April 7, 1938, October 9, 1940, August 28, 1954, and July 26, 1955.

failure of any official, agent, or other person acting for any individual, association, partnership, corporation, or trust within the scope of his employment or office shall be deemed the act, omission, or failure of such individual, association, partnership, corporation, or trust, as well as of such official, agent, or other person. The words "interstate commerce" shall be construed to mean commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof, or within any Territory or possession, or the District of Columbia. The words "cooperative association of producers" shall mean any cooperative association, corporate or otherwise, not less than 75 per centum in good faith owned or controlled, directly or indirectly, by producers of agricultural products and otherwise complying with an Act of Congress of February 18, 1922 (U. S. C., 1934 ed., title 7, secs. 291 and 292), as now or hereafter amended, including any organization acting for a group of such associations and owned or controlled by such associations, provided that business done for or with the United States of America, or any agency thereof, shall not be considered either member or nonmember business in determining the compliance of any such association with said Act of Congress of February 18, 1922. The words "member of a contract market" shall mean and include individuals, associations, partnerships, corporations, and trusts owning or holding membership in, or admitted to membership representation on, a contract market or given members' trading privileges thereon. The words "futures commission merchant" shall mean and include individuals, associations, partnerships, corporations, and trusts engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that, in or in connection with such solicitation or acceptance of orders, accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom. The words "floor broker" shall mean any person who, in or surrounding any "pit", "ring", "post", or other place provided by a contract market for the meeting of persons similarly engaged, shall engage in executing for others any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market, and who for such services receives or accepts any commission or other compensation. The words "the commission" shall mean the Commodity Exchange Commission, consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General.

(b) ³ For the purpose of this Act (but not in any wise limiting the foregoing definition of interstate commerce) a transaction in respect to any article shall be considered to be in interstate commerce if such article is part of that current of commerce usual in the commodity trade whereby commodities and commodity products and byproducts thereof are sent from one State with the expectation that they will end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where purchase

³ As amended June 15, 1936.

or sale is either for shipment to another State, or for manufacture within the State and the shipment outside the State of the products resulting from such manufacture. Articles normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this Act. For the purpose of this paragraph the word "State" includes Territory, the District of Columbia, possession of the United States, and foreign nation.

SEC. 3.⁴ Transactions in commodities involving the sale thereof for future delivery as commonly conducted on boards of trade and known as "futures" are affected with a national public interest; that such transactions are carried on in large volume by the public generally and by persons engaged in the business of buying and selling commodities and the products and byproducts thereof in interstate commerce; that the prices involved in such transactions are generally quoted and disseminated throughout the United States and in foreign countries as a basis for determining the prices to the producer and the consumer of commodities and the products and byproducts thereof and to facilitate the movements thereof in interstate commerce; that such transactions are utilized by shippers, dealers, millers, and others engaged in handling commodities and the products and byproducts thereof in interstate commerce as a means of hedging themselves against possible loss through fluctuations in price; that the transactions and prices of commodities on such boards of trade are susceptible to speculation, manipulation, and control, and sudden or unreasonable fluctuations in the prices thereof frequently occur as a result of such speculation, manipulation, or control, which are detrimental to the producer or the consumer and the persons handling commodities and the products and byproducts thereof in interstate commerce, and that such fluctuations in prices are an obstruction to and a burden upon interstate commerce in commodities and the products and byproducts thereof and render regulation imperative for the protection of such commerce and the national public interest therein.

SEC. 4.⁵ It shall be unlawful for any person to deliver for transmission through the mails or in interstate commerce by telegraph, telephone, wireless, or other means of communication any offer to make or execute, or any confirmation of the execution of, or any quotation or report of the price of, any contract of sale of any commodity for future delivery on or subject to the rules of any board of trade in the United States, or for any person to make or execute such contract of sale, which is or may be used for (a) hedging any transaction in interstate commerce in any commodity or the products or byproducts thereof, or (b) determining the price basis of any such transaction in interstate commerce, or (c) delivering any commodity sold, shipped, or received in interstate commerce for the fulfillment thereof, except, in any of the foregoing cases, where such contract is made by or through a member of a board of trade which has been designated by the Secretary of Agriculture as a "contract market," as hereinafter provided, and if such contract is evidenced by a record in writing which shows the date, the parties to such contract and their addresses, the

⁴ As amended June 15, 1936.

⁵ As amended June 15, 1936.

property covered and its price, and the terms of delivery: *Provided*, That each board member shall keep such record for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, which record shall at all times be open to the inspection of any representative of the United States Department of Agriculture or the United States Department of Justice.

SEC. 4a.⁶ (1) Excessive speculation in any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burden, the commission shall, from time to time, after due notice and opportunity for hearing, by order, proclaim and fix such limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the commission finds is necessary to diminish, eliminate, or prevent such burden. Nothing in this section shall be construed to prohibit the commission from fixing different trading limits for different commodities, markets, futures, or delivery months, or different trading limits for buying and selling operations, or different limits for the purposes of subparagraphs (A) and (B) of this section, or from exempting transactions commonly known to the trade as "spreads" or "straddles" or from fixing trading limits applying to such transactions different from trading limits fixed for other transactions.

(2) The commission shall, in such order, fix a reasonable time (not to exceed ten days) after the order's promulgation; after which, and until such order is suspended, modified, or revoked, it shall be unlawful for any person—

(A) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of the contract market or markets to which the order applies, any amount of such commodity during any one business day in excess of any trading limit fixed for one business day by the commission in such order for or with respect to such commodity; or

(B) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market, any amount of such commodity that shall result in giving such person a net long or net short position at any one time in or with respect to any such commodity in excess of any trading limit fixed by the commission for net long or net short position in such order for or with respect to such commodity.

(3) No order issued under paragraph (1) of this section shall apply to transactions which are shown to be bona fide hedging transactions. For the purposes of this paragraph, bona fide hedging transactions shall mean sales of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such sales are offset in quantity by the ownership or purchase of the same

⁶This section added by the act of June 15, 1936; amended July 24, 1956, by adding 4a (3) (c).

cash commodity or, conversely, purchases of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such purchases are offset by sales of the same cash commodity. There shall be included in the amount of any commodity which may be hedged by any person—

(A) the amount of such commodity such person is raising, or in good faith intends or expects to raise, within the next twelve months, on land (in the United States or its Territories) which such person owns or leases;

(B) an amount of such commodity the sale of which for future delivery would be a reasonable hedge against the products or byproducts of such commodity owned or purchased by such person, or the purchase of which for future delivery would be a reasonable hedge against the sale of any product or byproduct of such commodity by such person;

(C) an amount of such commodity the purchase of which for future delivery shall not exceed such person's unfilled anticipated requirements for processing or manufacturing during a specified operating period not in excess of one year: *Provided*, That such purchase is made and liquidated in an orderly manner and in accordance with sound commercial practice in conformity with such regulations as the Secretary of Agriculture may prescribe.

(4) This section shall apply to a person that is registered as a futures commission merchant or as a floor broker under authority of this Act only to the extent that transactions made by such person are made on behalf of or for the account or benefit of such person. This section shall not apply to transactions made by, or on behalf of, or at the direction of, the United States, or a duly authorized agency thereof.

SEC. 4b.⁷ It shall be unlawful for any member of a contract market, or for any correspondent, agent, or employee of any member, in or in connection with any order to make, or the making of (1) any contract of sale of any commodity in interstate commerce, or (2) any contract of sale of any commodity for future delivery made, or to be made, on or subject to the rules of any contract market for or on behalf of any person if such contract for future delivery is or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

(A) to cheat or defraud or attempt to cheat or defraud such person;

(B) willfully to make or cause to be made to such person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof;

(C) willfully to deceive or attempt to deceive such person by any means whatsoever in regard to any such order or contract or the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person; or

(D) to bucket such order, or to fill such order by offset against the order or orders of any other person, or willfully and knowingly and

⁷ This section added by the act of June 15, 1936.

without the prior consent of such person to become the buyer in respect to any selling order of such person, or become the seller in respect to any buying order of such person.

Nothing in this section or in any other section of this Act shall be construed to prevent a futures commission merchant or floor broker who shall have in hand, simultaneously, buying and selling orders at the market for different principals for a like quantity of cotton for future delivery in the same month, from executing such buying and selling orders at the market price: *Provided*, That any such execution shall take place on the floor of the exchange where such orders are to be executed at public outcry across the ring and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange.

SEC. 4c.⁸ It shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity, which is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or by-products thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

(A) if such transaction is, is of the character of, or is commonly known to the trade as, a “wash sale”, “cross trade”, or “accommodation trade”, or is a fictitious sale;

(B) if such transaction is, is of the character of, or is commonly known to the trade as, a “privilege”, “indemnity”, “bid”, “offer”, “put”, “call”, “advance guaranty”, or “decline guaranty”, or

(C) if such transaction is used to cause any price to be reported, registered, or recorded which is not a true and bona fide price.

Nothing in this section shall be construed to prevent the exchange of futures in connection with cash commodity transactions or of futures for cash commodities, or of transfer trades or office trades if made in accordance with board of trade rules applying to such transactions and such rules shall not have been disapproved by the Secretary of Agriculture. Nothing in this section or section 4b shall be construed to impair any State law applicable to any transaction enumerated or described in such sections.

SEC. 4d.⁹ It shall be unlawful for any person to engage as futures commission merchant in soliciting orders or accepting orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market unless—

(1) such person shall have registered, under this Act, with the Secretary of Agriculture as such futures commission merchant and such registration shall not have expired nor been suspended nor revoked; and

(2) such person shall, whether a member or nonmember of a contract market, treat and deal with all money, securities, and property received by such person to margin, guarantee, or secure the trades or contracts of any customer of such person, or accruing to such customer as the result of such trades or contracts, as belonging to such

⁸ This section added by the act of June 15, 1936.

⁹ This section added by the act of June 15, 1936.

customer. Such money, securities, and property shall be separately accounted for and shall not be commingled with the funds of such commission merchant or be used to margin or guarantee the trades or contracts, or to secure or extend the credit, of any customer or person other than the one for whom the same are held: *Provided, however,* That such money, securities and property of the customers of such futures commission merchant may, for convenience, be commingled and deposited in the same account or accounts with any bank or trust company or with the clearing house organization of such contract market, and that such share thereof as in the normal course of business shall be necessary to margin, guarantee, secure, transfer, adjust, or settle the contracts or trades of such customers or resulting market positions, with the clearing-house organization of such contract market or with any member of such contract market, may be withdrawn and applied to such purposes, including the payment of commissions, brokerage, interest, taxes, storage and other charges, lawfully accruing in connection with such contracts and trades: *Provided further,* That such money may be invested in obligations of the United States, in general obligations of any State or of any political subdivision thereof, in obligations fully guaranteed as to principal and interest by the United States, and in "investment securities" as defined in and under authority of section 5136 of the Revised Statutes, as amended, and, subject to approval by the Secretary of Agriculture, may be loaned on the security of negotiable warehouse receipts conveying or securing title to readily marketable commodities to the extent of the current loan value of such receipts, such investments and loans to be made in accordance with such rules and regulations and subject to such conditions as the Secretary of Agriculture may prescribe.

SEC. 4e.¹⁰ It shall be unlawful for any person to act as floor broker in executing any orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery on or subject to the rules of any contract market unless such person shall have registered, under this Act, with the Secretary of Agriculture as such floor broker and such registration shall not have expired nor been suspended nor revoked.

SEC. 4f.¹¹ (1) Any person desiring to register as futures commission merchant or as floor broker hereunder shall be registered upon application to the Secretary of Agriculture, which application shall be made in form and manner to be prescribed by the Secretary of Agriculture, giving such information and facts as the Secretary of Agriculture may deem necessary concerning the business in which the applicant is or will be engaged including, in the case of applications of futures commission merchants, the names and addresses of the managers of all branch offices and of all correspondents and agents engaged in soliciting or accepting on behalf of such applicants any orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any board of trade, and including also the names of its officers and partners, if a partnership, and of its officers, directors, and stockholders, as the Secretary of Agriculture may direct, if a corporation. Such person, when registered hereunder, shall likewise continue to report and furnish to the Secretary of

¹⁰ This section added by the act of June 15, 1936.

¹¹ This section added by the act of June 15, 1936.

Agriculture the above-mentioned information and such other information pertaining to his business as the Secretary of Agriculture may require. All registrations shall expire on the 31st day of December of the year for which issued, and shall be renewed upon application therefor unless the registration has been suspended (and the period of such suspension has not expired) or revoked after notice and hearing as prescribed in section 4g of this Act.

(2) Any person registered as futures commission merchant hereunder shall post in a conspicuous place in each of the offices maintained by such person in the United States in which orders for the purchase or sale of any commodity for future delivery are solicited or accepted, the original or duplicate copy (issued by the Secretary of Agriculture) of such person's registration certificate as such futures commission merchant.

SEC. 4g.¹² If any person registered hereunder as futures commission merchant or floor broker shall violate any of the provisions of this Act, or any of the rules or regulations of the Secretary of Agriculture thereunder, or shall fail or refuse to make any report required by the Secretary of Agriculture regarding the transactions of such person, or the transactions of the customers thereof, in commodities for future delivery on any board of trade in the United States or elsewhere, or shall fail or refuse to keep the books and records pertaining to such transactions in the form and manner required by the Secretary of Agriculture, or shall fail or refuse to keep such books and records open to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice, the registration of such person may be suspended or revoked after notice and hearing in accordance with the procedure and subject to the judicial review provided in paragraph (b) of section 6 of this Act.

SEC. 4h.¹³ It shall be unlawful for any person—

(1) to conduct any office or place of business anywhere in the United States or its territories for the purpose of soliciting or accepting any orders for the purchase or sale of any commodity for future delivery, or for making or offering to make any contracts for the purchase or sale of any commodity for future delivery, or for conducting any dealings in commodities for future delivery, that are or may be used for

(A) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or

(B) determining the price basis of any such transaction in interstate commerce, or

(C) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof,

if such orders, contracts, or dealings are executed or consummated otherwise than by or through a member of a contract market; or

(2) falsely to represent such person to be a member of a contract market, or the representative or agent of such member, or to be a futures commission merchant registered under this Act, or the agent of such registered futures commission merchant, in soliciting or han-

¹² This section added by the act of June 15, 1936.

¹³ This section added by the act of June 15, 1936.

dling any order or contract for the purchase or sale of any commodity in interstate commerce or for future delivery, or falsely to represent in connection with the handling of any such order or contract that the same is to be or has been executed on, or by or through any member of, any contract market.

SEC. 4i.¹⁴ It shall be unlawful for any person to make any contract for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market unless such person shall report or cause to be reported to the properly designated officer in accordance with the rules and regulations of the Secretary of Agriculture (1) whenever such person shall directly or indirectly make such contracts with respect to any commodity, or any future of such commodity, during any one day in an amount equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture; and (2) whenever such person shall directly or indirectly have or obtain a long or short position in any commodity or in any future of such commodity, equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture. Such person shall also keep books and records of transactions coming within the provisions of (1) and (2) hereof, which books and records shall show complete details concerning all such transactions, including the names and addresses of all persons having any interest therein, and shall be open at all times to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice.

SEC. 5. The Secretary of Agriculture is hereby authorized and directed to designate any board of trade as a "contract market" when, and only when, such board of trade complies with and carries out the following conditions and requirements:

(a) When located at a terminal market where any cash commodity of the kind specified in the contracts of sale of commodities for future delivery to be executed on such board is sold in sufficient volumes and under such conditions as fairly to reflect the general value of the commodity and the differences in value between the various grades of such commodity, and where there is available to such board of trade official inspection service approved by the Secretary of Agriculture for the purpose: *Provided*, That any board of trade not so located shall be designated as a "contract market" if such board of trade provides for the delivery of commodities on such contracts at a delivery point or points and upon terms and conditions approved by the Secretary of Agriculture.

(b) When the governing board thereof provides for the making and filing by the board or any member thereof, as the Secretary of Agriculture may direct, of reports in accordance with the rules and regulations, and in such manner and form and at such times as may be prescribed by the Secretary of Agriculture, showing the details and terms of all transactions entered into by the board, or the members thereof, either in cash transactions consummated at, on, or in a board of trade, or transactions for future delivery, and when such governing board provides, in accordance with such rules and regulations, for the keeping of a record by the board or the members of the board of trade, as the Secretary of Agriculture may direct, showing the details and

¹⁴ This section added by the act of June 15, 1936.

terms of all cash and future transactions entered into by them, consummated at, on, or in a board of trade, such record to be in permanent form, showing the parties to all such transactions, including the persons for whom made, any assignments or transfers thereof, with the parties thereto, and the manner in which said transactions are fulfilled, discharged, or terminated. Such record shall be required to be kept for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and shall at all times be open to the inspection of any representative of the United States Department of Agriculture or United States Department of Justice.

(c)¹⁵ When the governing board thereof provides for the prevention of dissemination by the board or any member thereof, of false or misleading or knowingly inaccurate reports concerning crop or market information or conditions that affect or tend to affect the price of any commodity in interstate commerce.

(d)¹⁶ When the governing board thereof provides for the prevention of manipulation of prices and the cornering of any commodity by the dealers or operators upon such board.

(e)¹⁷ When the governing board thereof does not exclude from membership in, and all privileges on, such board of trade, any duly authorized representative of any lawfully formed and conducted cooperative association of producers having adequate financial responsibility which is engaged in any cash commodity business, if such association has complied, and agrees to comply, with such terms and conditions as are or may be imposed lawfully on other members of such board: *Provided*, That no rule of a contract market shall forbid or be construed to forbid the return on a patronage basis by such cooperative association to its bona fide members of moneys collected in excess of the expense of conducting the business of such association.

(f) When the governing board provides for making effective the final orders or decisions entered pursuant to the provisions of paragraph (b) of section 6 of this Act.

SEC. 5a.¹⁸ Each contract market shall—

(1) promptly furnish the Secretary of Agriculture copies of all bylaws, rules, regulations, and resolutions made or issued by it or by the governing board thereof or any committee, and of all changes and proposed changes therein;

(2) allow inspection at all times by any authorized representative of the United States Department of Agriculture or United States Department of Justice of the books, records, and all minutes and journals of proceedings of such contract market, its governing board and all committees, and of all subsidiaries and affiliates of such contract market, which books, records, minutes, and journals of proceedings shall be kept for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct;

(3) require the operators of warehouses in which or out of which any commodity is deliverable on any contract for future delivery made on or subject to the rules of such contract market, to make such reports, keep such records, and permit such warehouse visitation as

¹⁵ As amended June 15, 1936.

¹⁶ As amended June 15, 1936.

¹⁷ As amended June 15, 1936.

¹⁸ This section added by the act of June 15, 1936.

the Secretary of Agriculture may prescribe. Such books and records shall be required to be kept for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and such books, records, and warehouses shall be open at all times to inspection by any representative of the United States Department of Agriculture or United States Department of Justice;

(4) when so directed by order of the Secretary of Agriculture, provide for a period, after trading in contracts of sale of any commodity for future delivery in a delivery month has ceased, during which contracts of sale of such commodity for future delivery in such month may be satisfied by the delivery of the actual cash commodity.

Whenever, after due notice and opportunity for hearing, the Secretary of Agriculture finds that provision for such a period of delivery for any one or more commodities or markets would prevent or tend to prevent "squeezes" and market congestion endangering price stability, he shall, by order, require such period of delivery (which shall be not less than three nor more than ten business days) applicable to such commodities and markets as he finds will prevent or tend to prevent such "squeezes" and market congestion: *Provided, however,* That such order shall not apply to then existing contracts;

(5) require the party making delivery of any commodity on any contract of sale of such commodity for future delivery to furnish the party obligated under the contract to accept delivery, written notice of the date of delivery at least one business day prior to such date of delivery. Whenever, after due notice and opportunity for hearing, the Secretary of Agriculture finds that the giving of longer notice of delivery is necessary to prevent or diminish unfair practices in trading in any one or more commodities or markets, he shall by order require such longer notice of delivery (which shall be not more than ten business days) applicable to such commodities and markets as he finds will prevent or diminish unfair practices: *Provided, however,* That such order shall not apply to then existing contracts;

(6) require that all contracts of sale of any commodity for future delivery on such contract market shall provide for the delivery thereunder of commodities of grades conforming to United States standards, if such standards shall have been officially promulgated; and

(7) require that receipts issued under the United States Warehouse Act (U. S. C., 1934 ed., title 7, secs. 241-273) shall be accepted in satisfaction of any futures contract, made on or subject to the rules of such contract market, without discrimination and notwithstanding that the warehouseman issuing such receipts is not also licensed as a warehouseman under the laws of any State or enjoys other or different privileges than under State law: *Provided, however,* That such receipts shall be for the kind, quality, and quantity of commodity specified in such contract and that the warehouse in which the commodity is stored meets such reasonable requirements as may be imposed by such contract market on other warehouses as to location, accessibility, and suitability for warehousing and delivery purposes.

SEC. 5b.¹⁹ The failure or refusal of any board of trade to comply with any of the provisions of this Act, or any of the rules and regula-

¹⁹ This section added by the act of June 15, 1936.

tions of the Secretary of Agriculture thereunder, shall be cause for suspending for a period not to exceed six months or revoking the designation of such board of trade as a "contract market" in accordance with the procedure and subject to the judicial review provided in paragraph (a) of section 6 of this Act.

SEC. 6. Any board of trade desiring to be designated a "contract market" shall make application to the Secretary of Agriculture for such designation and accompany the same with a showing that it complies with the above conditions, and with a sufficient assurance that it will continue to comply with the above requirements.

(a) ²⁰ A commission composed of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General is authorized to suspend for a period not to exceed six months or to revoke the designation of any board of trade as a "contract market" upon a showing that such board of trade has failed or is failing to comply with any of the above requirements or is not enforcing its rules of government made a condition of its designation as set forth in section 5. Such suspension or revocation shall only be after a notice to the officers of the board of trade affected and upon a hearing: *Provided*, That such suspension or revocation shall be final and conclusive unless within fifteen days after such suspension or revocation by the said commission such board of trade appeals to the court of appeals for the circuit in which it has its principal place of business by filing with the clerk of such court a written petition praying that the order of the said commission be set aside or modified in the manner stated in the petition, together with a bond in such sum as the court may determine, conditioned that such board of trade will pay the costs of the proceedings if the court so directs. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Secretary of Agriculture, chairman of said commission, or any member thereof, and the said commission shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in such proceedings, including the notice to the board of trade, a copy of the charges, the evidence, and the report and order. The testimony and evidence taken or submitted before the said commission duly certified and filed as aforesaid as a part of the record shall be considered by the court as the evidence in the case. The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way. Such a court may affirm or set aside the order of the said commission or may direct it to modify its order. No such order of the said commission shall be modified or set aside by the court of appeals unless it is shown by the board of trade that the order is unsupported by the weight of the evidence or was issued without due notice and a reasonable opportunity having been afforded to such board of trade for a hearing, or infringes the Constitution of the United States, or is beyond the jurisdiction of said commission: *Provided, further*, That if the Secretary of Agriculture shall refuse to designate as a contract market any board of trade that has made application therefor, then such board of trade may appeal from such refusal to the commission described therein, consisting of the Secretary of Agriculture, the Secretary of Commerce, and the At-

²⁰ As amended May 24, 1949.

torney General of the United States, with the right to appeal as provided for in other cases in this section, the decision on such appeal to be final and binding on all parties interested.

(b) ²¹ If the Secretary of Agriculture has reason to believe that any person (other than a contract market) is violating or has violated any of the provisions of this Act, or any of the rules and regulations made pursuant to its requirements, or has manipulated or is attempting to manipulate the market price of any commodity, in interstate commerce, or for future delivery on or subject to the rules of any board of trade, he may serve upon such person a complaint stating his charges in that respect, to which complaint shall be attached or contained therein a notice of hearing, specifying a day and place not less than three days after the service thereof, requiring such person to show cause why an order should not be made directing that all contract markets until further notice of the Secretary of Agriculture refuse all trading privileges to such person, and to show cause why the registration of such person, if registered as futures commission merchant or as floor broker hereunder, should not be suspended or revoked. Said hearing may be held in Washington, District of Columbia, or elsewhere, before the Secretary of Agriculture or before a referee designated by the Secretary of Agriculture, which referee shall cause all evidence to be reduced to writing and forthwith transmit the same to the Secretary of Agriculture. For the purpose of securing effective enforcement of the provisions of this Act, and for the purpose of any investigation or proceeding under this Act, the provisions, including penalties, of the Interstate Commerce Act, as amended and supplemented (49 U. S. C. 12, 46, 47, 48), relating to the attendance and testimony of witnesses, the production of documentary evidence, and the immunity of witnesses, are made applicable to the power, jurisdiction, and authority of the Secretary of Agriculture (or any person designated by him), the commission, and any referee designated pursuant to the provisions of this Act, and to any person subject thereto. Upon evidence received, the Secretary of Agriculture may require all contract markets to refuse such person all trading privileges thereon for such period as may be specified in the order, and, if such person is registered as futures commission merchant or as floor broker hereunder, may suspend, for a period not to exceed six months, or revoke, the registration of such person. Notice of such order shall be sent forthwith by registered mail or delivered to the offending person and to the governing boards of said contract markets. After the issuance of the order by the Secretary of Agriculture, as aforesaid, the person against whom it is issued may obtain a review of such order or such other equitable relief as to the court may seem just by filing in the United States court of appeals of the circuit in which the petitioner is doing business a written petition praying that the order of the Secretary of Agriculture be set aside. A copy of such petition shall be forthwith served upon the Secretary of Agriculture by delivering such copy to him, and thereupon the Secretary of Agriculture shall forthwith certify and file in the court a transcript of the record theretofore made, including evidence received. Upon the filing of the transcript the court shall have jurisdiction to affirm, to set aside, or modify the order of the Secretary of

²¹ As amended June 15, 1936, June 25, 1948, May 24, 1949, and June 16, 1955.

Agriculture, and the findings of the Secretary of Agriculture as to the facts, if supported by the weight of evidence, shall in like manner be conclusive.

SEC. 6a.²² (1) No board of trade which has been designated as a "contract market" shall exclude from membership in, and all privileges on, such board of trade, any association or corporation engaged in cash commodity business having adequate financial responsibility which is organized under the cooperative laws of any State, or which has been recognized as a cooperative association of producers by the United States Government or by any agency thereof, if such association or corporation complies and agrees to comply with such terms and conditions as are or may be imposed lawfully upon other members of such board, and as are or may be imposed lawfully upon a cooperative association of producers engaged in cash commodity business, unless such board of trade is authorized by the commission to exclude such association or corporation from membership and privileges after hearing held upon at least three days' notice subsequent to the filing of complaint by the board of trade: *Provided, however,* That if any such association or corporation shall fail to meet its obligations with any established clearing house or clearing agency of any contract market, such association or corporation shall be ipso facto debarred from further trading on such contract market, except such trading as may be necessary to close open trades and to discharge existing contracts in accordance with the rules of such contract market applicable in such cases. Such commission may prescribe that such association or corporation shall have and retain membership and privileges, with or without imposing conditions, or it may permit such board of trade immediately to bar such association or corporation from membership and privileges. Any order of said commission entered hereunder shall be reviewable by the court of appeals for the circuit in which such association or corporation, or such board of trade, has its principal place of business, on written petition either of such association or corporation, or of such board of trade, under the procedure provided in paragraph (a) of section 6 of this Act, but such order shall not be stayed by the court pending review.

(2) No rule of any board of trade designated as a contract market shall forbid or be construed to forbid the payment of compensation on a commodity-unit basis, or otherwise, by any federated cooperative association to its regional member-associations for services rendered or to be rendered in connection with any organization work, educational activity, or procurement of patronage, provided no part of any such compensation is returned to patrons (whether members or nonmembers) of such cooperative association, or of its regional or local member-associations, otherwise than as a dividend on capital stock or as a patronage dividend out of the net earnings or surplus of such federated cooperative association.

SEC. 6b.²³ If any board of trade, or any director, officer, agent, or employee of any board of trade is violating or has violated any of the provisions of this Act or any of the rules or regulations of the Secretary of Agriculture thereunder, or any order issued by the commission pursuant to any provision of this Act, the commission, in lieu of re-

²² This section added by the act of June 15, 1936; amended May 24, 1949.

²³ This section added by the act of June 15, 1936.

voking the designation of such board of trade as a "contract market" may, upon notice and hearing and subject to appeal as in other cases provided for in paragraph (a) of section 6 of this Act, make and enter an order directing that such board of trade, director, officer, agent, or employee shall cease and desist from such violation or violations, and if such board of trade, director, officer, agent, or employee, thereafter and after the lapse of the period allowed for appeal of such order or after the affirmance of such order, shall fail or refuse to obey or comply with such order, such board of trade, director, officer, agent, or employee shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than \$500 nor more than \$10,000 or imprisoned for not less than six months nor more than one year, or both. Each day during which such failure or refusal to obey such order continues shall be deemed a separate offense.

SEC. 7. Any board of trade that has been designated a contract market in the manner herein provided may have such designation vacated and set aside by giving notice in writing to the Secretary of Agriculture requesting that its designation as a contract market be vacated, which notice shall be served at least ninety days prior to the date named therein as the date when the vacation of designation shall take effect. Upon receipt of such notice the Secretary of Agriculture shall forthwith order the vacation of the designation of such board of trade as a contract market, effective upon the day named in the notice, and shall forthwith send a copy of the notice and his order to all other contract markets. From and after the date upon which the vacation became effective the said board of trade can thereafter be designated again a contract market by making application to the Secretary of Agriculture in the manner herein provided for an original application.

SEC. 8.²⁴ For the efficient execution of the provisions of this Act, and in order to provide information for the use of Congress, the Secretary of Agriculture may make such investigations as he may deem necessary to ascertain the facts regarding the operations of boards of trade, whether prior or subsequent to the enactment of this Act, and may publish from time to time, in his discretion, the result of such investigation and such statistical information gathered therefrom as he may deem of interest to the public, except data and information which would separately disclose the business transactions of any person and trade secrets or names of customers: *Provided*, That nothing in this section shall be construed to prohibit the Secretary of Agriculture from making or issuing such reports as he may deem necessary relative to the conduct of any board of trade or of the transactions of any person found guilty of violating the provisions of this Act under the proceedings prescribed in section 6 of this Act: *Provided further*, That the Secretary of Agriculture in any report may include the facts as to any actual transaction. The Secretary of Agriculture, upon his own initiative or in cooperation with existing governmental agencies, shall investigate marketing conditions of commodities and commodity products and byproducts, including supply and demand for these commodities, cost to the consumer, and handling and

²⁴ As amended June 15, 1936.

transportation charges. He shall likewise compile and furnish to producers, consumers, and distributors, by means of regular or special reports, or by such methods as he may deem most effective, information respecting the commodity markets, together with information on supply, demand, prices, and other conditions in this and other countries that affect the markets.

²⁵ Notwithstanding the foregoing provisions of this section or of any other law, the Secretary of Agriculture may, in his discretion, from time to time disclose and make public the names and addresses of all traders on the boards of trade on the commodity markets with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amount of commodities purchased or sold by each such trader; and when requested by any committee of either House of Congress, acting within the scope of its jurisdiction, shall furnish to such committee and make public the names and addresses of all traders on such boards of trade with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader.

SEC. 8a.²⁶ The Secretary of Agriculture is authorized—

(1) to register futures commission merchants and floor brokers upon application in accordance with rules and regulations and in form and manner to be prescribed by the Secretary of Agriculture; and

(2) to refuse to register any person if such person has violated any of the provisions of this Act or any of the rules or regulations promulgated by the Secretary of Agriculture hereunder for which the registration of such person has been suspended (and the period of such suspension shall not have expired) or has been revoked; and

(3) to suspend or revoke the registration of any futures commission merchant who shall knowingly accept any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market from any person if such person has been denied trading privileges on any contract market by order of the Secretary of Agriculture under the provisions of paragraph (b) of section 6 of this Act and the period of denial specified in such order shall not have expired; and

(4) ²⁷ to fix and establish from time to time reasonable fees and charges for registrations and renewals thereof and for copies of registration certificates; and

(5) to make and promulgate such rules and regulations as, in the judgment of the Secretary of Agriculture, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of this Act; and

(6) to communicate to the proper committee or officer of any contract market and to publish, notwithstanding the provisions of section 8 of this Act, the full facts concerning any transaction or market operation, including the names of parties thereto, which in the judg-

²⁵ This paragraph added by the Joint Resolution of December 19, 1947.

²⁶ This section added by the act of June 15, 1936.

²⁷ As amended August 5, 1955.

Agriculture

ment of the Secretary ²⁸ of ~~Agricultural~~ disrupts or tends to disrupt any market or is otherwise harmful or against the best interests of producers and consumers.

SEC. 9.²⁹ Any person who shall violate the provisions of section 4, section 4a, section 4b, section 4c, section 4d, section 4e, section 4h, or section 4i of this Act, or who shall manipulate or attempt to manipulate the price of any commodity in interstate commerce, or for future delivery on or subject to the rules of any board of trade, or who shall corner or attempt to corner any such commodity, or who shall fail to evidence any contract mentioned in section 4 of this Act by a record in writing as therein required, or who shall knowingly or carelessly deliver or cause to be delivered for transmission through the mails or in interstate commerce by telegraph, telephone, wireless, or other means of communication false or misleading or knowingly inaccurate reports concerning crop or market information or conditions that affect or tend to affect the price of any commodity in interstate commerce, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

SEC. 10. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provisions to other persons and circumstances shall not be affected thereby.

SEC. 11. No fine or imprisonment shall be imposed for any violation of this Act occurring before the first day of the second month following its passage.

SEC. 12. The Secretary of Agriculture may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this Act in the District of Columbia and elsewhere, and there are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for such purposes.

²⁸ So in original.

²⁹ As amended June 15, 1936.

REGULATIONS OF THE SECRETARY OF AGRICULTURE UNDER THE COMMODITY EXCHANGE ACT, AS AMENDED

PART 1—GENERAL PROVISIONS ¹

Definitions

Section 1.1 Words in singular and plural form. Words used in the singular form in these rules and regulations shall be deemed to import the plural, and vice versa, as the case may require.

Sec. 1.2 Liability of principal for act of agent. The act, omission, or failure of any official, agent, or other person acting for any individual, association, partnership, corporation, or trust, within the scope of his employment or office, shall be deemed the act, omission, or failure of such individual, association, partnership, corporation, or trust as well as of such official, agent, or other person.

Sec. 1.3 Definitions. The following terms, as used in the Commodity Exchange Act or in these rules and regulations, shall have the meanings hereby assigned to them, unless the context otherwise requires:

(a) *Board of trade*.—This term means any exchange or association, whether incorporated or unincorporated, of persons who shall be engaged in the business of buying or selling any commodity or receiving the same for sale on consignment.

(b) *Business day*.—This term means any day other than a Sunday or holiday. In all notices required by the act or by these rules and regulations to be given in terms of business days the rule for computing time shall be to exclude the day on which notice is given and include the day on which shall take place the act of which notice is given.

(c) *Clearing member*.—This term means any person who is a member of, or enjoys the privilege of clearing trades in his own name through, the clearing organization of a contract market.

(d) *Clearing organization*.—This term means the person or organization which acts as a medium for clearing transactions in commodities for future delivery, or for effecting settlements of contracts for future delivery, for and between members of any board of trade.

(e) *Commodity*.—This term means and includes wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, millfeeds, butter, eggs, onions, Irish potatoes, wool, wool tops, fats and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil, and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans, and soybean meal.

(f) *Commodity Exchange Act; the act*.—These terms mean the Commodity Exchange Act approved September 21, 1922 (42 Stat.

¹ Part 1 promulgated July 14, 1937, effective August 2, 1937; reprint of part 1, as amended, issued December 15, 1948 (13 F. R. 7834); amended May 26, 1949 (14 F. R. 2581), July 10, 1950 (15 F. R. 4443), January 5, 1953 (18 F. R. 176), October 11, 1954 (19 F. R. 6605), October 25, 1954 (19 F. R. 6880), July 20, 1955 (20 F. R. 5288), August 26, 1955 (20 F. R. 6385), October 12, 1955 (20 F. R. 7774), October 21, 1955 (20 F. R. 8043), September 7, 1956 (21 F. R. 6913), August 26, 1957 (22 F. R. 6967), November 1, 1957 (22 F. R. 8899), and March 26, 1958 (23 F. R. 1985).

998), as amended June 15, 1936 (49 Stat. 1491; 7 U. S. C. 1-17a), and other legislation supplementary thereto and amendatory thereof.

(g) *Commodity Exchange Authority*.—This term means the Commodity Exchange Authority, United States Department of Agriculture.

(h) *Contract market*.—This term means a board of trade designated by the Secretary of Agriculture as a contract market under the Commodity Exchange Act.

(i) *Contract of sale*.—This term includes sales, purchases, agreements of sale or purchase, and agreements to sell or purchase.

(j) *Controlled account*.—An account shall be deemed to be controlled by a person if such person by power of attorney or otherwise actually directs trading for such account.

(k) *Customer; commodity customer*.—These terms have the same meaning and refer to a customer trading in any commodity named in the definition of commodity herein.

(l) *Delivery month*.—This term means the month of delivery specified in a contract of sale of any commodity for future delivery.

(m) *Executing for others*.—This term as used in the definition of floor broker means executing by any person of orders, including his own, for the purchase or sale of any commodity for future delivery in the name of, or for the account of, more than one principal (clearing member).

(n) *Floor broker*.—This term means any person who, in or surrounding any pit, ring, post, or other place provided by a contract market for the meeting of persons similarly engaged, shall engage in executing for others any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market, and who for such services receives or accepts any commission or other compensation.

(o) *Future delivery*.—This term does not include any sale of a cash commodity for deferred shipment or delivery.

(p) *Futures commission merchant*.—This term means individuals, associations, partnerships, corporations, and trusts engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that, in or in connection with such solicitation or acceptance of orders, accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom.

(q) *Member of a contract market*.—This term means and includes individuals, associations, partnerships, corporations, and trusts owning or holding membership in, or admitted to membership representation on, a contract market or given members' trading privileges thereon.

(r) *Net equity*.—This term means the credit balance which would be obtained by combining the commodity margin balance of any person with the net profit or loss, if any, accruing on the open trades or contracts of such person.

(s) *Net deficit*.—This term means the debit balance which would be obtained by combining the commodity margin balance of any person with the net profit or loss, if any, accruing on the open trades or contracts of such person.

(*t*) *Open contracts*.—This term means contracts of purchase or sale of any commodity made by or for any person on or subject to the rules of a board of trade for future delivery during a specified month or delivery period which have not been fulfilled by delivery nor offset by other contracts of sale or purchase in the same commodity and delivery month.

(*u*) *Person*.—This term includes individuals, associations, partnerships, corporations, and trusts.

(*v*) *Act Administrator*.—This term means the Administrator of the Commodity Exchange Authority, United States Department of Agriculture, in his capacity as Administrator of the Commodity Exchange Act, or any officer or employee of the Commodity Exchange Authority to whom he has heretofore lawfully delegated or may hereafter lawfully delegate the authority to act in his stead.

(*w*) *Secretary of Agriculture*.—This term means the Secretary of Agriculture or any person to whom authority has heretofore lawfully been delegated, or to whom authority may hereafter lawfully be delegated, to act in his stead.

Administration

Sec. 1.4 Duties to be performed by Act Administrator. The Act Administrator shall perform for and under the supervision of the Secretary of Agriculture such duties as the Secretary may require in enforcing the provisions of the act and of the rules and regulations promulgated thereunder.

Sec. 1.5 Information confidential; disclosures to contract-market committees and officials. No officer or employee of the Department of Agriculture shall publish, divulge, or make known in any manner, except insofar as may be required in the performance of his official duties or by a court of competent jurisdiction, any facts or information regarding the business of any person which may come to the knowledge of such officer or employee through any inspection or examination of the reports or records of, or through any information given by, any person pursuant to the Commodity Exchange Act or these rules and regulations: *Provided, however,* That this prohibition shall not apply to disclosures made in good faith to the Business Conduct Committee or other proper committee or official of a contract market of matters in respect to which such contract market has responsibility or duty under the Commodity Exchange Act, or which, in the judgment of the Act Administrator, adversely affect such market or are prejudicial to the interests of producers or consumers.

Sec. 1.6 Speculation in commodities by officers and employees prohibited. No officer or employee of the Department of Agriculture engaged in the administration or enforcement of the Commodity Exchange Act, or having access to any confidential information obtained under authority of the act, shall have any interest directly or indirectly in any speculative transaction in any commodity for future delivery.

Registration of Futures Commission Merchants and Floor Brokers

Sec. 1.7 Registration required of futures commission merchants. No person shall engage as futures commission merchant in

the solicitation or acceptance of orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market, unless such person shall have secured a certificate of registration as futures commission merchant under the Commodity Exchange Act as issued by the Secretary of Agriculture and countersigned by the Act Administrator and such registration shall not have expired, been suspended, or been revoked. Such registration shall be required of every person engaged as herein described irrespective of whether accounting records relating to such orders and trades and contracts resulting therefrom are maintained by other futures commission merchants to whom such orders are transmitted for execution or clearance.

Sec. 1.8 Registration required of floor brokers. No person shall act as floor broker in executing any orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market unless such person shall have secured a certificate of registration as floor broker under the Commodity Exchange Act issued by the Secretary of Agriculture and countersigned by the Act Administrator and such registration shall not have expired, been suspended, or been revoked.

Sec. 1.9 Registration as floor broker not included in registration as futures commission merchant and vice versa. Registration as futures commission merchant shall not include registration as floor broker nor shall registration as floor broker include registration as futures commission merchant.

Sec. 1.10 Applications for registration required on prescribed forms; financial statements of futures commission merchants; registration suspended or revoked for willful misrepresentation.

(a) Application for registration as futures commission merchant shall be made on Form 1-R. Application for registration as floor broker shall be made on Form 2-R. Each application shall be executed and filed in accordance with the instructions appearing on the prescribed form.

(b) Every application for registration as futures commission merchant other than an application necessitated solely by reason of a change in the name of the registrant shall be accompanied by the applicant's latest statement of financial condition. If such statement is as of a date more than 6 months prior to the date application is filed, the applicant shall file within 3 months following registration a statement of financial condition as of a date not more than 6 months prior to the date of filing such statement: *Provided, That*, for good cause shown, the Act Administrator may extend for a reasonable period the time for filing any statement of financial condition required under the provisions of this section.

(c) Every financial statement shall bear the certification of the applicant in the following form, to wit:

Applicant represents that all information contained or incorporated in this financial statement is true to the best of applicant's knowledge and belief.

Dated at -----, the ----- day of -----, 19-----.

(d) Willful misrepresentation or concealment by the applicant (or registrant) of any material fact in an application for registration or in any statement supplemental thereto shall constitute cause for the suspension or revocation of registration.

Sec. 1.11 Registration fees; form of remittance. Each application for registration, or renewal thereof, as futures commission merchant shall be accompanied by a fee of \$25. Each application for registration, or renewal thereof, as floor broker shall be accompanied by a fee of \$15. Duplicates of registration certificates may be procured on request upon payment of \$2 for each duplicate. Fees shall be remitted by money order, bank draft, or check, payable to the Commodity Exchange Authority, U. S. D. A. Applications and fees shall be forwarded to the Commodity Exchange Authority, United States Department of Agriculture, Washington 25, D. C.

Sec. 1.12 Posting of registration certificate. Every person registered as futures commission merchant under the act shall—

(a) post in a conspicuous place in each office in the United States maintained by such person in which orders for the purchase or sale of any commodity for future delivery are solicited or accepted, the original or a duplicate (issued by the Secretary of Agriculture) of such registrant's registration certificate as futures commission merchant; and

(b) post in a conspicuous place in each office in the United States (except an office of another registered futures commission merchant) in which orders for the purchase or sale of any commodity for future delivery are solicited or accepted for, and in the name of, such registrant, a duplicate (issued by the Secretary of Agriculture) of such registrant's registration certificate as futures commission merchant.

Sec. 1.13 Deposit of registration fee; fee not subject to refund after registration; form of certificate. Upon receipt of an application for registration (or renewal thereof) the Secretary of Agriculture will, if the application be approved, issue a certificate of registration certifying that the registrant has registered under the act as futures commission merchant or as floor broker. The registration fee (including the fee for duplicate copies of the certificate of registration, if any) so tendered, shall be deposited in a special deposit account until the registration is finally issued or denied. If registration be denied, the fee shall be returned to the applicant, but if issued the fee shall be deposited in the Treasury of the United States as a miscellaneous receipt and will not thereafter be subject to refund. Each registration certificate shall bear a serial number, the signature of the Secretary of Agriculture, be issued under the seal of the United States Department of Agriculture, and be countersigned by the Act Administrator.

Sec. 1.14 Deficiencies, inaccuracies, changes, to be reported by futures commission merchants and floor brokers. (a) Each registrant shall file promptly with the Commodity Exchange Authority a statement on Form 3-R to correct any deficiency or inaccuracy in the registrant's application for registration, or any supplemental statement thereto, and to report any change which renders no longer accurate and current the information contained in any of the following items of such application or supplemental statement:

(1) *With respect to a futures commission merchant.* Item 2 (address of principal office), item 3 (books and records), item 4 (form of organization), item 9 (addresses of branch offices and names of managers thereof), item 10 (agents authorized to solicit or accept commodity futures orders for, and in the name of, the registrant), and item 13 (refusal of, or suspension or expulsion from commodity-exchange membership). Any change in the personnel of a partnership resulting from the death, withdrawal, or addition of a partner which, as a matter of law, does not create a new partnership may be reported on Form 3-R, as provided in section 1.15.

(2) *With respect to a floor broker.* Item 2 (business address), item 5 (names and addresses of clearing members through whom registrant clears commodity futures transactions for his own account), and item 6 (refusal of, or suspension or expulsion from, commodity-exchange membership).

(b) All statements on Form 3-R shall be prepared and filed in accordance with the instructions appearing thereon.

Sec. 1.15 Changes requiring new registration. A new registration shall be required in the event of a change—

- (a) in the name of the registrant;
- (b) in the form of organization of the registrant;
- (c) in the ownership of the business of the registrant in the case of a sole proprietorship; and
- (d) in the personnel of a partnership resulting from the death, withdrawal, or addition of a partner: *Provided*, That if such change does not, as a matter of law, create a new partnership, it may be reported by the registrant to the Commodity Exchange Authority on Form 3-R within 10 days of the date of such change, and if so reported a new registration shall not be required.

Sec. 1.16 Registrations expire December 31 of each year. All registrations shall automatically terminate at midnight on December 31 of the year for which issued, unless sooner suspended or revoked in accordance with the provisions of the act and the rules and regulations thereunder.

Reports

Sec. 1.17 Futures commission merchants to report annually on Form 150. [Revoked, June 3, 1942.]

Sec. 1.18 Futures commission merchants, on call, to report on Form 160. Each futures commission merchant shall, upon call from the Commodity Exchange Authority, report on Form 160. Such report shall be prepared in accordance with the instructions appearing on Form 160 and shall be filed with the Commodity Exchange Authority, United States Department of Agriculture, Washington, D. C., not later than the third business day following the date specified in the call. Reports received by mail will be considered duly filed if postmarked not later than midnight of such third business day.

Such report shall show as of the close of business on the day named in the call:

- (a) the total amount of money and credits held or carried by such futures commission merchant for the account of his com-

modity customers, including margin moneys and moneys and credits resulting from the closed trades and contracts and accruing in connection with the open trades and contracts of such customers; and

(b) the total amount of money segregated and set apart for the benefit of commodity customers—

- (1) on hand,
- (2) on deposit in banks,
- (3) pledged as margin with clearing organizations of contract markets,
- (4) pledged as margin with members of contract markets,
- (5) invested in securities described in section 4d (2) of the Commodity Exchange Act, and
- (6) loaned on security of warehouse receipts in accordance with the rules and regulations of the Secretary of Agriculture.

Sec. 1.19 Futures commission merchants, on call, to report names of persons exercising trading control over customers' accounts. Each futures commission merchant shall, upon call, file with the Commodity Exchange Authority a list of all persons who, by power of attorney or otherwise, exercise trading control over any account or accounts of any customer of such futures commission merchant with respect to contracts for the future delivery of any commodity on or subject to the rules of any contract market.

Sec. 1.19a Contract-market members to report uncleared transactions ("pass-outs") on Form 110. Each member of a contract market who shall execute uncleared transactions (commonly known as "pass-outs") in any commodity for future delivery on or subject to the rules of such contract market shall report to the Commodity Exchange Authority on Form 110 applicable to such contract market each business day on which he shall execute such uncleared transactions. Such report shall be prepared and filed in accordance with the instructions appearing on Form 110, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the details of each such transaction, including the commodity, future, quantity, and price, and the name of the person from whom bought and to whom sold: *Provided*, That the requirements of this section shall not apply to any member of a contract market, all of whose uncleared transactions are recorded on the books and records of, and included in the purchases and sales reported to the Commodity Exchange Authority by, a clearing member (or clearing members) of such contract market.

Customers' Funds

Sec. 1.20 Customers' funds to be segregated and separately accounted for. All money received by a futures commission merchant to margin, guarantee, or secure the trades or contracts of commodity customers and all money accruing to such customers as the result of such trades or contracts shall be separately accounted for and be segregated as belonging to such customers. Such funds, when deposited with any bank or trust company, shall be deposited under an account name which will clearly show that they are customers' funds segregated as required by the Commodity Exchange Act, and under a

written agreement with such bank or trust company waiving any claim, lien, or right of set-off of any nature which such bank or trust company might otherwise have or obtain against such funds. An executed copy of such agreement shall be kept as a permanent record by the futures commission merchant. If such funds are deposited with a clearing organization of a contract market, they shall be deposited under an account name which will clearly show that they are customers' funds segregated as required by the Commodity Exchange Act. Under no circumstances shall any portion of commodity customers' funds be obligated to the clearing organization of a contract market, or to any member of a contract market, except to margin, guarantee, secure, transfer, adjust, or settle trades and contracts made in behalf of such commodity customers.

Sec. 1.21 Care of money and equities accruing to customer. All money received directly or indirectly by, and all money and equities accruing to, a futures commission merchant from any clearing organization of any contract market, or from any member thereof or from any member of a contract market, incident to or resulting from any trade or contract in commodity futures made by or through such futures commission merchant in behalf of any customer shall be considered as accruing to such customer within the meaning of section 4d (2) of the Commodity Exchange Act. Such money and equities shall be treated and dealt with as belonging to such customer in accordance with the provisions of the act. Money and equities accruing in connection with customers' open trades or contracts need not be separately credited to individual customers' accounts but may be treated and dealt with as belonging undivided to all customers having open trades or contracts which if closed would result in a credit to such customers.

Sec. 1.22 Use of money, securities, or property of customers restricted. No futures commission merchant shall use, or permit the use of, the money, securities, or property of one customer to margin or settle the trades or contracts, or to secure or extend the credit, of any person other than such customer. The net equity of one customer shall not be used to carry the trades or contracts or to offset the net deficit of any other customer or person or to carry the trades or offset the net deficit of the same customer in goods or property not included in the term "commodity" as defined herein.

Sec. 1.23 Interest of futures commission merchant in segregated funds, additions and withdrawals. The prohibition in section 4d (2) of the Commodity Exchange Act against commingling customers' funds with the funds of a futures commission merchant shall not be construed to prevent such futures commission merchant from having a residual financial interest in the funds segregated and set apart for the benefit of commodity customers, nor shall such prohibition be construed to prevent a futures commission merchant from adding to customers' segregated funds from his own funds such amount or amounts of money as he may deem necessary to insure any and all customers' accounts from becoming undermargined at any time: *Provided, however,* That the books and records of such futures commission merchant shall at all times accurately reflect his interest in customers' segregated funds. Such futures commission merchant may draw upon such segregated funds to his own order

to the extent of his actual interest therein: *Provided*, That such withdrawal shall not result in the money, securities, property, or equity of one customer being used to margin or carry the trades or contracts, or extend the credit, of any other customer or person.

Sec. 1.24 Segregated funds; exclusions therefrom. Money held in segregated account by a futures commission merchant shall not include: (a) money invested in obligations or stocks of any clearing organization, or in memberships in or obligations of any contract market; or (b) money held by any clearing organization of any contract market which may be used by such clearing organization for any purpose other than to margin, guarantee, secure, transfer, adjust, or settle the contracts or trades of the commodity customers of such futures commission merchant.

Sec. 1.25 Investment and lending of customers' money; conditions governing. Any futures commission merchant may, in accordance with the provisions of section 4d (2) of the Commodity Exchange Act,

(a) invest customers' money in obligations or investment securities as described in said section; and

(b) loan customers' money to other persons on the security of negotiable warehouse receipts conveying or securing title to readily marketable commodities, subject to the following conditions:

(1) that such warehouse receipts be issued by a public warehouseman other than such futures commission merchant, licensed as warehouseman under the provisions of the United States Warehouse Act or the warehouse laws of any State; and

(2) the amount of any loan so made shall at no time exceed 85 percent of the current market value of the commodities represented by such warehouse receipts.

Sec. 1.26 Deposit of investment securities, obligations, and warehouse receipts. Each futures commission merchant who, in accordance with section 4d (2) of the act and with these rules and regulations, invests money belonging or accruing to customers in obligations or investment securities described in said section, or loans such money on the security of negotiable warehouse receipts, shall promptly—

(a) deposit such obligations, securities, and warehouse receipts in safekeeping with a bank or trust company under an account name which will clearly show that they represent investments of, or security for loans of, customers' funds segregated as required by the Commodity Exchange Act, and under a written agreement with such bank or trust company waiving any claim, lien, or right of set-off of any nature which such bank or trust company might otherwise have or obtain against such obligations, securities, and warehouse receipts, and authorizing inspection thereof at any reasonable time by representatives of the Commodity Exchange Authority; or

(b) deposit such obligations, securities, and warehouse receipts with a clearing organization or clearing member of a contract market under an account name which will clearly show that they represent investments of, or security for loans of, customers' funds segregated as required by the Commodity Exchange Act, and un-

der a written agreement with such clearing organization or clearing member providing that such obligations, securities, and warehouse receipts are deposited solely to margin, guarantee, secure, transfer, adjust, or settle the contracts or trades of the commodity customers of such futures commission merchant and waiving any other claim, lien, or right of set-off of any nature which such clearing organization or clearing member might otherwise have or obtain against such obligations, securities, and warehouse receipts. Such agreement shall authorize the inspection at any reasonable time by representatives of the Commodity Exchange Authority of such obligations, securities, and warehouse receipts.

Sec. 1.27 Permanent record of investments and loans. Each futures commission merchant who, in accordance with section 4d (2) of the act and with these rules and regulations, invests money belonging or accruing to customers in obligations or investment securities described in said section, or loans such money on the security of negotiable warehouse receipts, shall keep a permanent record showing the following:

- (a) With respect to obligations and investment securities,
 - (1) the date on which such investments were made,
 - (2) the name of the person from or through whom such obligations or securities were bought,
 - (3) the amount of money paid for such obligations or securities,
 - (4) a description of such obligations or securities,
 - (5) the date on which disposition was made of such obligations or securities and the amount of money received therefor, and
 - (6) the name of the person to or through whom such obligations or securities were sold; and
- (b) with respect to warehouse receipts,
 - (1) the date on which such loans were made,
 - (2) the name of the person to whom such funds were loaned,
 - (3) the amount loaned on the security of such warehouse receipts,
 - (4) a description of such warehouse receipts,
 - (5) the date and particulars of any changes or substitutions in the warehouse receipts held as security for such loans, and
 - (6) the date on which such loans were repaid.

Sec. 1.28 Appraisal of investment securities and obligations. Futures commission merchants who invest customers' money in obligations or investment securities under the provisions of section 4d (2) of the Commodity Exchange Act shall include such obligations or investment securities in segregated account at values which at no time shall be greater than current market value, determined as of the close of the market on the last preceding market day, less the cost of disposal.

Sec. 1.29 Increment or interest resulting from investment or lending of customers' funds. The investment and lending of customers' funds in accordance with the provisions of section 4d (2) of the Commodity Exchange Act and these rules and regulations and the deposit, in accordance with the provisions of section 1.26, of obliga-

tions, investment securities, and warehouse receipts, shall not operate to prevent the depositor from receiving and retaining as his own any increment or interest resulting therefrom.

Sec. 1.30 Loans by futures commission merchants; treatment of proceeds. Nothing contained in these rules and regulations shall be construed to prevent a futures commission merchant from lending his own funds to commodity customers on securities and property pledged by such customers, or from repledging or selling such securities and property pursuant to specific written agreement with such customers: *Provided, however,* That the proceeds of such loans used to margin, guarantee, or secure the trades or contracts of such customers in any commodity for future delivery shall be treated and dealt with by such futures commission merchant as belonging to such customers, in accordance with and subject to the provisions of section 4d (2) of the Commodity Exchange Act.

Record Keeping

Sec. 1.31 Books and records; keeping and inspection. All books and records required to be kept by the act or by these rules and regulations shall be kept for a period of five years from the date thereof and shall be readily accessible during the first two years of such period. During the last two years of such period, the person required to keep such books and records may at his option substitute photographic reproductions thereof on film, together with facilities for the projection of such film in a manner which will permit it to be readily inspected or examined. All such books, records, and photographic reproductions shall be open to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice.

Sec. 1.31a Compliance with sections 1.32-1.36. With respect to a futures commission merchant who transmits all customers' commodity futures orders, together with all money, securities, and property received to margin, guarantee, or clear the trades or contracts of such customers, to another futures commission merchant for execution or clearance, and the latter renders confirmations and statements of purchase and sale, and transmits remittances, direct to such customers, the requirements of sections 1.32 to 1.36, inclusive, shall be deemed to be complied with if the books and records described in the aforesaid section are prepared and kept, in the form and manner therein set forth, by either the futures commission merchant transmitting such orders or by the futures commission merchant to whom such orders are transmitted.

Sec. 1.32 Segregated account; daily computation and permanent record. The amount of money, securities, and property which must be in segregated account in order to comply with the requirements of section 4d (2) of the Commodity Exchange Act shall be computed by each futures commission merchant as of the close of the market each business day, based upon his accounting records. A permanent record of such computation shall be made and kept in readily accessible form, together with all supporting data.

Sec. 1.33 Permanent record of customer's position in each future. Each futures commission merchant shall prepare and keep

as a permanent record a statement which shows the position of each customer in each future of each commodity on each contract market as of the close of the last business day of each calendar month. Such statement may be prepared separately or may be combined with the statement required by section 1.34 hereof.

Sec. 1.34 Monthly record, "point balance"; semiannual record for each customer; information on call. Each futures commission merchant shall prepare and keep as a permanent record a statement, commonly known as a "point balance," which accrues or brings to the official closing price, or settlement price fixed by the clearing organization, all open trades or contracts of customers as of the last business day of each calendar month. Each futures commission merchant shall also prepare and keep as a permanent record a statement which shall show, as of the close of the last business day of his fiscal year and semiannually thereafter, (a) the net profit or loss (equity or deficit), based upon the closing price or settlement price fixed by the clearing organization, accruing to each customer from the combined open trades or contracts of such customer, (b) the credit or debit balance of the commodity margin account of each customer, whether or not such customer has any trades or contracts open, and (c) a description of all securities and property in segregated account received from each customer to margin, guarantee, or secure the trades or contracts of such customer: *Provided*, That upon call, a statement shall be prepared setting forth the information described in (a), (b), and (c) hereof, as of the close of the calendar month specified in the call: *Provided further*, That such statement when made upon call may, with the approval of the Commodity Exchange Authority, be substituted for, and used in lieu of, the next succeeding semiannual statement which would otherwise be required by the provisions of this section.

Sec. 1.35 Records of cash commodity and futures transactions--

(a) Futures commission merchants and members of contract markets.

Each futures commission merchant and each member of a contract market shall keep full, complete, and systematic records of all commodity futures transactions and cash commodity transactions, made by or through him, on or subject to the rules of a board of trade. He shall keep such records, including all orders, trading cards, signature cards, street books, journals, ledgers, cancelled checks, copies of confirmations and copies of statements of purchase and sale, together with all other data and memoranda, and records of every sort pertaining to transactions in cash commodities and in commodities for future delivery, for the period of time and in the manner prescribed in section 1.31. He shall produce the same for inspection and shall furnish true and correct information and reports as to the contents or the meaning thereof, when and as requested by any authorized representative of the Commodity Exchange Authority.

(b) Futures commission merchants and clearing members of contract markets. Each futures commission merchant and each clearing member of a contract market shall, as a minimum requirement, prepare regularly and promptly, and keep systematically and in permanent form, the following:

(1) A financial ledger record which will show separately for each customer all charges against and credits to such customer's account, including but not limited to funds or securities deposited, withdrawn, or transferred, and charges or credits resulting from losses or gains on closed transactions;

(2) A record of transactions which will show separately for each account (including house accounts) all commodity futures transactions executed for such account, including the date, price, quantity, market, commodity, and future; and

(3) A record or journal which will show separately for each business day complete details of all commodity futures transactions executed on that day, including the date, price, quantity, market, commodity, future, and the person for whom such transaction was made.

(c) Clearing members of contract markets. In the daily record or journal required to be kept under paragraph (b) (3) of this section, each clearing member of a contract market shall also show the floor broker or other person executing each transaction and the opposite clearing member with whom it was made.

of such customer, the dates when such securities and property were received from and when returned to such customer, or otherwise disposed of, together with the facts and circumstances of such other disposition.

Sec. 1.37 Customer's name, address, and occupation recorded; record of guarantor or controller of account. Each futures commission merchant and each member of a contract market shall keep a record in permanent form which shall show for each commodity futures account carried by him the true name and address of the person for whom such account is carried and the principal occupation or business of such person as well as the name of any other person guaranteeing such account or exercising any trading control with respect to such account. Such record shall be open to inspection by any authorized representative of the Commodity Exchange Authority.

Sec. 1.38 Execution of transactions—(a) Competitive execution required; exceptions. All purchases and sales of any commodity for future delivery on or subject to the rules of a contract market shall be executed openly and competitively as to price by open outcry or posting of bids and offers or by other equally open and competitive methods, in the trading pit or ring or similar place provided by the contract market, during the regular hours prescribed by the contract market for trading in such commodity: *Provided, however,* That this requirement shall not apply to such transactions as are executed in accordance with written rules of the contract market which have been submitted to and not disapproved by the Secretary of Agriculture, specifically providing for the noncompetitive execution of such transactions.

(b) *Noncompetitive trades; exchange of futures, etc.; requirements.* Every person handling, executing, clearing, or carrying trades or contracts which are not competitively executed, including transfer trades or office trades, or trades involving the exchange of futures for cash commodities or the exchange of futures in connection with cash commodity transactions, shall identify and mark by appropriate symbol or designation all such transactions or contracts and all orders, records, and memoranda pertaining thereto.

Sec. 1.39 Simultaneous buying and selling orders of different principals; execution of, for and between principals. (a) *Conditions and requirements.* A member of a contract market who shall have in hand at the same time both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month may execute such orders for and directly between such principals at the market price, if, in conformity with the written rules of such contract market specifically applicable to such cases—

(1) such orders are first offered openly and competitively by open outcry in the trading pit or ring (i) by both bidding and offering at the same price, and neither such bid nor offer is accepted, or (ii) by bidding and offering to a point where such offer is higher than such bid by not more than the minimum permissible price fluctuation applicable to such commodity on such contract market, and neither such bid nor offer is accepted;

(2) such member executes such orders in the presence of an official representative of such contract market designated to observe such transactions and, by appropriate descriptive words or

symbol, clearly identifies all such transactions on his trading card or other similar record, made at the time of execution, and notes thereon the exact time of execution and promptly presents said record to such official representative for verification and initialing;

(3) such contract market keeps a permanent record of each such transaction showing the date, price, quantity, kind of commodity, delivery month, by whom executed, and the exact time of execution; and

(4) neither the futures commission merchant receiving nor the member executing such orders has any interest therein, directly or indirectly, except as a fiduciary.

(b) *Not deemed filling orders by offset nor cross trades.* The execution of orders in compliance with the conditions herein set forth will not be deemed to constitute the filling of orders by offset within the meaning of paragraph (D) of section 4b, nor to constitute cross trades within the meaning of paragraph (A) of section 4c, of the Commodity Exchange Act.

Miscellaneous

Sec. 1.40 Crop, market information letters, reports; copies required. Each futures commission merchant and each member of a contract market shall, upon request, furnish or cause to be furnished to the Commodity Exchange Authority a true copy of any letter, circular, telegram, or report published or given general circulation by such futures commission merchant or member which concerns crop or market information or conditions that affect or tend to affect the price of any commodity, and the true source of or authority for the information contained therein.

Sec. 1.41 Contract market rules, regulations; filing of copies. Each contract market shall promptly furnish to the Commodity Exchange Authority copies of all bylaws, rules, regulations, and resolutions made or issued by it or by the governing board thereof, or by any committee or clearing organization thereof, and of all changes and proposed changes therein, and shall notify the Commodity Exchange Authority promptly of all changes in its membership. Three copies of all such material shall be furnished to the Act Administrator, United States Department of Agriculture, Washington, D. C., and one copy shall be furnished to the supervisor in charge of field office of the Commodity Exchange Authority having local jurisdiction with respect to such contract market.

Sec. 1.42 Delivery notice; filing of copy. Each contract market shall furnish or cause to be furnished promptly to the Commodity Exchange Authority a copy of each notice of delivery issued by any member thereof covering the delivery of any commodity on a futures contract made on or subject to the rules of such contract market, and shall also furnish or cause to be furnished promptly to the Commodity Exchange Authority a record of all endorsements of the original notice of delivery shown in the order in which such endorsements were made.

Sec. 1.43 Information required concerning warehouses. Each contract market shall file with the Commodity Exchange Authority a list of all warehouses in which or out of which commodities are deliverable in satisfaction of futures contracts made on or subject to the

rules of such contract market, which list shall show the name, location, and storage capacity of each such warehouse, together with the name and business address of the operator thereof. Such list shall be accompanied by a schedule of the storage charges, handling charges, and the annual fire insurance rate applicable to each such warehouse. The Commodity Exchange Authority shall be kept currently advised of all changes affecting such information.

Sec. 1.44 Warehouse records, reports; visitation of premises. Each contract market shall require the operators of warehouses whose receipts are deliverable in satisfaction of commodity futures contracts made on or subject to the rules of such contract market—

(a) to keep records showing the stocks of each commodity traded in for future delivery on such contract market, in store in such warehouses by kinds, by classes, and by grades, if stored under conditions requiring such designation or identification, and including also lots and parcels stored specially or separately or in specially leased warehouse space;

(b) upon call from the Commodity Exchange Authority, to report the stocks of commodities in such warehouses and to furnish information concerning stocks of each commodity traded in for future delivery on such contract market about to be transferred or in process of being transferred, or otherwise moved into or out of such warehouses, as well as any other information concerning commodities stored in such warehouses and which are or may be available for delivery on futures contracts; and

(c) to permit visitation of the premises and inspection of the books and records of such warehouses by duly authorized representatives of the United States Department of Agriculture or the Department of Justice, and to keep all books, records, papers, and memoranda relating to the storage and warehousing of commodities in such warehouses for a period of 5 years from the date thereof.

Sec. 1.45 Delivery of commodities conforming to United States standards. Each contract market shall require that all contracts of sale of any commodity for future delivery on or subject to the rules of such contract market shall provide for the delivery thereunder of commodities of grades conforming to United States standards if such standards shall have been officially promulgated. In the event of a change in United States standards, all contracts made on and after the effective date of such change shall be made on the basis of the standards as changed: *Provided*, That this shall not be construed to prevent the closing of trades made prior to the effective date of such change.

Sec. 1.46 Application and closing out of offsetting long and short positions. (a) *Application of purchases and sales.* Any futures commission merchant who, on or subject to the rules of a contract market:

(1) shall purchase any commodity for future delivery for the account of any customer (other than the "Customers' Account" of another futures commission merchant) when the account of such customer at the time of such purchase has a short position in the same future of the same commodity on the same market, or

(2) shall sell any commodity for future delivery for the account of any customer (other than the "Customers' Account"

of another futures commission merchant) when the account of such customer at the time of such sale has a long position in the same future of the same commodity on the same market, shall on the same day apply such purchase or sale against such previously held short or long position, as the case may be, and shall promptly furnish such customer a purchase and sale statement, or account sale, showing the financial result of the transactions involved.

(b) *Customer's instructions.* In all instances wherein the short or long position in such customer's account immediately prior to such offsetting purchase or sale is greater than the quantity purchased or sold, the futures commission merchant shall apply such offsetting purchase or sale to such portion of the previously held short or long position as may be specified by the customer. In the absence of specific instructions from the customer, the futures commission merchant shall apply such offsetting purchase or sale to the oldest portion of the previously held short or long position, as the case may be.

(c) *In-and-out trades; day trades.* Notwithstanding the provisions of paragraphs (a) and (b) above, this section shall not be deemed to require the application of purchases or sales closed out during the same day (commonly known as "in-and-out trades" or "day trades") against short or long positions carried forward from a prior date.

(d) *Exceptions.* The provisions of this section shall not apply to:

(1) purchases or sales of job lots against positions in round lots, nor to purchases or sales of round lots against positions in job lots, on markets where round lots and job lots are cleared separately;

(2) purchases or sales constituting "bona fide hedging transactions" as defined in section 4a (3) of the Commodity Exchange Act; or

(3) sales during a delivery period for the purpose of making delivery during such delivery period if such sales are accompanied by instructions to make delivery thereon, together with warehouse receipts or other documents necessary to effectuate such delivery.

Sec. 1.47 Reports by persons located outside of the United States and its territories who carry accounts for others. (a) Every person located outside of the United States and its territories who shall carry for another person any account in any commodity future resulting from any transaction made on or subject to the rules of a contract market:

(1) shall report such account to the Commodity Exchange Authority whenever the open contracts therein are equal to or in excess of the applicable amount fixed by the Secretary of Agriculture, for reporting purposes, in §§ 2.20, 3.20, 4.20, 5.20, 6.20, 7.20, 8.20, 9.20, 10.20, and 11.20. Such account shall be reported on:

Form 201 (grain),	Form 701 (millfeeds),
Form 301 (cotton),	Form 801 (wool and wool tops),
Form 401 (butter),	Form 901 (fats),
Form 501 (eggs),	Form 1001 (oils), or
Form 601 (potatoes and onions),	Form 1101 (meals),

as the case may be, and identified on Form 102, in conformity with the provisions of:

§§ 2.04 to 2.09 (grain),	§§ 7.04 to 7.09 (millfeeds),
§§ 3.04 to 3.09 (cotton),	§§ 8.04 to 8.09 (wool and wool
§§ 4.04 to 4.09 (butter),	tops),
§§ 5.04 to 5.09 (eggs),	§§ 9.04 to 9.09 (fats),
§§ 6.04 to 6.09 (potatoes	§§ 10.04 to 10.09 (oils), and
and onions),	§§ 11.04 to 11.09 (meals),

respectively, the provisions of which are hereby made applicable to persons subject to the provisions of this section: *Provided, however,* That such reports may, at the election of the person required to file the same, be transmitted weekly to the Commodity Exchange Authority, and

(2) shall report from time to time, as called upon by the Act Administrator, all accounts carried by him in any commodity future, resulting from any transaction made on or subject to the rules of a contract market, which show open contracts in any future equal to or in excess of the amount specified in the call. Such accounts shall be reported in accordance with the instructions contained in the call.

(b) The provisions of this section shall not apply to any person if the persons for whom he carries accounts in commodity futures, resulting from transactions made on or subject to the rules of a contract market, are fully identified, and the details concerning such transactions are recorded, on the books and records of a registered futures commission merchant within the United States or its territories.

Sec. 1.48 Hedging anticipated requirements for processing or manufacturing under section 4a (3) (C) of the Commodity Exchange Act. (a) *Form and manner of reporting.* Any person who desires to avail himself of the provisions of section 4a (3) (C) of the Commodity Exchange Act, and to acquire a long futures position in any commodity with respect to which trading and position limits established by the Commodity Exchange Commission, pursuant to section 4a of the act, shall be then in effect, shall, at least ten days prior to acquiring any position in excess of any such limit, file with the Commodity Exchange Authority, United States Department of Agriculture, Washington 25, D. C., a statement showing such person's unfilled anticipated requirements for processing or manufacturing for a specified operating period not in excess of one year. Such statement shall set forth in detail such person's unfilled anticipated requirements and explain the method of determination thereof, and shall include, but not be limited to, the following information:

(1) annual requirements of such commodity for processing or manufacturing for the three fiscal years next preceding;

(2) anticipated requirements of such commodity for processing or manufacturing for a specified operating period not in excess of one year;

(3) inventory and forward purchases of such commodity, including quantity in process of manufacture and finished goods and byproducts (in terms of such commodity);

(4) anticipated unfilled requirements of such commodity for processing or manufacturing for a specified period not in excess of one year.

(b) *Supplemental reports.* Whenever such person's anticipated requirements as set forth in item 2 of such statement or any statement supplemental thereto shall change, such person shall immediately file with the Commodity Exchange Authority a supplemental statement reporting and explaining such change. Such person shall also file with the Commodity Exchange Authority, at least once each year, a statement setting forth the information described in paragraph (a) hereof.

(c) *Purchases and liquidation.* All purchases of any commodity for future delivery pursuant to the provisions of section 4a (3) (C) of the act shall be made and liquidated in an orderly manner and in accordance with sound commercial practice. No such purchase shall be made or liquidated in a manner calculated to cause sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity.

PART 2—SPECIAL PROVISIONS APPLICABLE TO GRAINS, FLAXSEED, AND SOYBEANS ¹

Reporting Requirements

Section 2.00 Definition; "grain." The word "grain" as used in part 2 of these rules and regulations shall mean and include wheat, corn, oats, barley, rye, rice, flaxseed, grain sorghums, and soybeans.

FORM 200

Sec. 2.01 Daily reports on Form 200 by clearing members; information shown. Each *clearing member* of each contract market shall report to the Commodity Exchange Authority each business day on Form 200 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 200, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all contracts of sale of grain for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market shall report separately with respect to each such market. Such report shall show separately for each kind of grain and each delivery month:

(a) the total of all open accounts "long" and the total of all open accounts "short" carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of grain bought and the quantity of grain sold on such contracts during the period covered by the report;

¹ Part 2 promulgated July 14, 1937, effective August 2, 1937; reprint of part 2, as amended, issued December 15, 1948 (13 F. R. 7840); amended April 22, 1949 (14 F. R. 2084), December 3, 1951 (16 F. R. 12336), and March 2, 1954 (19 F. R. 1270).

(d) the quantity of grain delivered and the quantity of grain received on such contracts during the period covered by the report; and

(e) the quantity of grain represented by delivery notices passed back to the clearing organization or passed on to other clearing members.

Sec. 2.02 Time and place of filing reports on Form 200. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 200 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day. If there be no office of the Commodity Exchange Authority in such city, the reports shall be transmitted in accordance with instructions furnished by the Commodity Exchange Authority.

Sec. 2.03 Errors or omissions in reports on Form 200. Reports on Form 200 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 201 AND 102

Sec. 2.04 "Special accounts" reported on Form 201. Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any future of any grain, resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 2.20 hereof, shall report such account daily to the Commodity Exchange Authority on Form 201 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 201.

For the purpose of reporting on Form 201, all accounts which belong to or are controlled by the same person shall be considered as one account. All accounts required to be reported on Form 201 shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 2.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 2.20 hereof shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 2.06 Time of filing reports on Form 201. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 201 shall be

filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 2.07 Accounts reported on Form 201 shown by account number of code; identification on Form 102. Reports on Form 201 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 201 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 201. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 2.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 201, the names and addresses of all such persons shall be shown on Form 102.

Sec. 2.09 Character of accounts shown on Form 102. In identifying accounts on Form 202 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 203

Sec. 2.10 Persons holding or controlling open contracts of specified size; reports on Form 203. Every *person* who holds or controls open contracts in any *one* future of any grain on any *one* contract market which equal or exceed the amount fixed by the Secretary of Agriculture (in sec. 2.21 hereof) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 203. Such report shall be made *daily*: *Provided*, That if on any day such person has no trades or transactions in any future of a grain previously reported and there has been no change in the open contracts of such person in any such grain, the last detailed report of such person shall be considered as his report on open contracts in such grain on all intervening days. Such person shall also make a report on Form 203 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 2.21 hereof.

Sec. 2.11 Separate reports on Form 203 for each grain; information shown. Separate reports on Form 203 shall be filed covering each grain in which the person reporting has or controls open contracts in any one future which equal or exceed the amount fixed in

section 2.21 hereof. Each such report shall show for the day covered thereby, by markets and by futures:

(a) the amount of open contracts held or controlled by such person in all futures of such grain on all boards of trade in the United States and elsewhere;

(b) the character of the open contracts held or controlled, i. e., whether hedging, spreading, or speculative;

(c) the amount of such grain bought and the amount sold by such person for future delivery on all boards of trade in the United States and elsewhere; and

(d) the amount of such grain delivered by or to such person in settlement of futures contracts.

For the purposes of subparagraph (b) hereof the term "hedging" shall have the same meaning as the term "bona fide hedging transactions" appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 2.12 Time of filing reports on Form 203. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 203 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 2.13 Assignment of code number. Upon receipt of the first report from any person on Form 203, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 203 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 2.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any future of any grain on any contract market equal to or in excess of the amount fixed in section 2.21 hereof shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 2.15 Information required upon call. Each person required to report on Form 203 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or hav-

ing any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

FORM 204

Sec. 2.16 Merchandisers, processors, and dealers holding or controlling open contracts of specified size to report weekly on Form 204. Every *person* who is engaged in merchandising, processing, or dealing in, grain or grain products and who holds or controls open contracts in any one future of any grain on any contract market which equal or exceed the amount fixed in section 2.21 hereof shall report to the Commodity Exchange Authority on Form 204, which report shall be rendered as of the close of business on *Friday* of each week unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown.

Sec. 2.17 Information shown in reports on Form 204. Such report shall contain the following information with respect to *each* grain in which the person reporting holds or controls open contracts in any one future thereof on or subject to the rules of any contract market equal to or in excess of the amount fixed in section 2.21 hereof:

(a) the amount of the net long or net short cash-grain position of such person in such grain;

(b) the make-up of the cash-grain position of such person in such grain showing—

(1) the amount of stocks of such grain or products or byproducts thereof,

(2) the amount of purchase commitments open in such grain or products or byproducts thereof, and

(3) the amount of sale commitments open in such grain or products or byproducts thereof; and

(c) the amount of open contracts held by such person in all futures of such grain on all boards of trade in the United States and elsewhere.

Sec. 2.18 Cash-grain position; how determined. In determining the cash-grain position of any person reporting on Form 204, such person shall use such standards and conversion factors applying to grain products and byproducts as are usual and common to the business in which he is engaged. If, in determining the cash-grain position of such person for hedging purposes, it be his practice regularly to exclude certain products or byproducts, such products or byproducts shall be excluded in reporting such cash-grain position on Form 204.

Such person shall upon request furnish the Commodity Exchange Authority with detailed information concerning the kind and amount of each product or byproduct included in computing his cash-grain position and the conversion factor used for each such product or byproduct.

Sec. 2.19 Time of filing reports on Form 204. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 204 shall be filed with the Commodity Exchange Authority not later than the next business

day following the day covered by the report: *Provided*, That reports may be transmitted by mail in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the last day allowed for filing.

AMOUNTS FIXED FOR REPORTING ON FORMS 201, 203, AND 204

Sec. 2.20 Amount fixed for reporting on Form 201. For the purpose of sections 2.04 and 2.05, the amount specified for reporting accounts on Form 201 is 200,000 bushels (milled rice, 56,000 pockets or bags of 100 pounds; grain sorghums, 11,200,000 pounds), but such specified amount shall not apply to special calls issued under authority of section 2.22.

Sec. 2.21 Amount fixed for reporting on Forms 203 and 204. For the purpose of sections 2.10, 2.11, 2.14, 2.16, and 2.17, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 203 and Form 204 is 200,000 bushels (milled rice, 56,000 pockets or bags of 100 pounds; grain sorghums, 11,200,000 pounds).

SPECIAL CALLS

Sec. 2.22 Special calls; reports on Form 201. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated grain future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 201, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 2.20 hereof shall have no application.

Sec. 2.23 Special calls; reports on Form 203. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any grain future shall, upon call, report all open contracts in grain futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 203 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 2.21 hereof shall have no application.

PART 3—SPECIAL PROVISIONS APPLICABLE TO COTTON ¹

Reporting Requirements

Section 3.00 Definitions; "cash cotton"; "spot cotton"; "call cotton"; "cotton on call." The terms "cash cotton" and "spot cot-

¹ Part 3 promulgated August 30, 1937, effective October 1, 1937; reprint of part 3, as amended, issued December 15, 1948 (13 F. R. 7843), amended January 26, 1951 (16 F. R. 925), July 11, 1951 (16 F. R. 6828), and March 2, 1954 (19 F. R. 1270).

ton" shall have the same meaning and shall refer to transactions in actual cotton as distinguished from cotton futures. The terms "call cotton" and "cotton on call" shall mean spot cotton bought or sold, or contracted for purchase or sale, at a price to be fixed later, based upon a specified future.

FORM 300

Sec. 3.01 Daily reports on Form 300 by clearing members; information shown. Each *clearing member* of each board of trade (exchange) designated as a contract market for cotton shall report to the Commodity Exchange Authority each business day on Form 300 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 300, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all contracts of sale of cotton for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for cotton shall report separately with respect to each such market. Such report shall show separately for each future:

(a) the total of all open accounts "long" and the total of all open accounts "short" carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of cotton bought and the quantity of cotton sold on such contracts during the period covered by the report; and

(d) the quantity of cotton delivered and the quantity of cotton received on such contracts during the period covered by the report.

Sec. 3.02 Time and place of filing reports on Form 300. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 300 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day.

Sec. 3.03 Errors or omissions in reports on Form 300. Reports on Form 300 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 301 AND 102

Sec. 3.04 "Special accounts" reported on Form 301. Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any cotton future,

resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 3.20 hereof, shall report such account daily to the Commodity Exchange Authority on Form 301 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 301.

For the purpose of reporting on Form 301, all accounts which belong to or are controlled by the same person shall be considered as one account. All accounts required to be reported on Form 301 shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts, equal to or in excess of such specified amount.

Sec. 3.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 3.20 hereof shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 3.06 Time of filing reports on Form 301. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 301 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 3.07 Accounts reported on Form 301 shown by account number or code; identification on Form 102. Reports on Form 301 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 301 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 301. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 3.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 301, the names and addresses of all such persons shall be shown on Form 102.

Sec. 3.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the

character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 303

Sec. 3.10 Persons holding or controlling open contracts of specified size; reports on Form 303. Every *person* who holds or controls open contracts in any *one* cotton future or any *one* contract market which equal or exceed the amount fixed by the Secretary of Agriculture (in sec. 3.21 hereof) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 303. Such report shall be made *daily: Provided*, That if on any day such person has no trades or transactions in any cotton future previously reported and there has been no change in the open contracts of such person in any cotton future, the last detailed report of such person shall be considered as his report on open contracts in cotton futures on all intervening days. Such person shall also make a report on Form 303 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 3.21 hereof.

Sec. 3.11 Information shown in reports on Form 303. Reports made by any person on Form 303 shall show for the day covered thereby by markets and by futures:

(a) the amount of open contracts held or controlled by such person in any and all cotton futures on all boards of trade (exchanges) in the United States and elsewhere;

(b) the character of the open contracts held or controlled, i. e., whether hedging, straddling, or speculative;

(c) the amount of cotton bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(d) the amount of cotton delivered by or to such person in settlement of futures contracts.

For the purpose of subparagraph (b) hereof the term "hedging" shall have the same meaning as the term "bona fide hedging transactions" appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 3.12 Time of filing reports on Form 303. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 303 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 3.13 Assignment of code number. Upon receipt of the first report from any person on Form 303, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 303 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 3.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any cotton future on any contract market equal to or in excess of the amount fixed in section 3.21 hereof shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 3.15 Information required upon call. Each person required to report on Form 303 shall,

- (a) if a partnership, furnish upon call the name and address of each partner;
- (b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and
- (c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

FORM 304

Sec. 3.16 Merchandisers, processors, and dealers holding or controlling open contracts of specified size to report on Form 304. Every person who is engaged in merchandising, processing, or dealing in cotton, cotton yarn, cotton cloth, or other cotton products, and who holds or controls open contracts in any one cotton future on any contract market which equal or exceed the amount fixed in section 3.21, shall report to the Commodity Exchange Authority on Form 304, which report shall be rendered as of the close of business on Friday of each week unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown.

Sec. 3.17 Information shown in reports on Form 304. Reports made by any person on Form 304 shall be prepared in accordance with the instructions appearing on Form 304 and shall contain the following information:

- (a) the make-up of such person's net fixed-price position in spot cotton;
- (b) the make-up of such person's hedgeable interest in spot cotton and his market position;
- (c) the make-up of such person's basis position in spot cotton;
- (d) the amount of certificated cotton owned by such person;
- (e) such person's fixed-price spot-cotton positions (both long and short);
- (f) the amount of open contracts held by such person for his own account in all cotton futures on all boards of trade (exchanges) in the United States and elsewhere, by markets and by futures; and

(g) the amount of "call cotton" bought and sold, or contracted for purchase or sale, on which the price has *not* been fixed, together with the respective futures on which based.

Sec. 3.18 Spot-cotton position; how determined. In determining the spot-cotton position of any person reporting on Form 304, such person shall use such standards and conversion factors applying to cotton products as are usual and common to the business in which he is engaged. If, in determining the spot-cotton position of such person for hedging purposes, it be his practice regularly to exclude certain items, such items shall be excluded in reporting such spot-cotton position on Form 304.

Such person shall upon request furnish the Commodity Exchange Authority with detailed information concerning the kind and amount of each product included in computing his spot-cotton position and the conversion factor used for each such product.

Sec. 3.19 Time of filing reports on Form 304. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 304 shall be filed with the Commodity Exchange Authority not later than the next business day following the day covered by the report: *Provided*, That reports may be transmitted by mail in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the last day allowed for filing.

AMOUNTS FIXED FOR REPORTING ON FORMS 301, 303, AND 304

Sec. 3.20 Amount fixed for reporting on Form 301. For the purpose of sections 3.04 and 3.05, the amount specified for reporting accounts on Form 301 is 5,000 bales, but such specified amount shall not apply to special calls issued under authority of section 3.22 hereof.

Sec. 3.21 Amount fixed for reporting on Forms 303 and 304. For the purpose of sections 3.10, 3.14, and 3.16, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 303 and Form 304, is, 5,000 bales.

SPECIAL CALLS

Sec. 3.22 Special calls; reports on Form 301. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated cotton future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 301, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 3.20 hereof shall have no application.

Sec. 3.23 Special calls; reports on Form 303. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any cotton future shall, upon call, report

all open contracts in cotton futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 303 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 3.21 hereof shall have no application.

PART 4—SPECIAL PROVISIONS APPLICABLE TO BUTTER¹

Reporting Requirements

Section 4.00 Definitions; “cash butter”; “spot butter”; “butter future”; “each future”; “one future.” The term “cash butter” and “spot butter” shall have the same meaning and shall refer to transactions in actual butter as distinguished from futures. The terms “butter future”, “each future”, and “one future” shall include contracts of the same kind and class maturing during the same delivery month.

FORM 400

Sec. 4.01 Daily reports on Form 400 by clearing members; information shown. Each *clearing member* of each board of trade (exchange) designated as a contract market for butter shall report to the Commodity Exchange Authority each business day on Form 400 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 400, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all contracts of sale of butter for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for butter shall report separately with respect to each such market. Such report shall show separately for each future:

(a) the total of all open accounts “long” and the total of all open accounts “short” carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of butter bought and the quantity of butter sold on such contracts during the period covered by the report; and

(d) the quantity of butter delivered and the quantity of butter received on such contracts during the period covered by the report.

The requirements of this section shall not apply to any clearing member of a board of trade (exchange) if, with respect to each clearing member thereof, such board of trade (exchange) reports the above-described information to the Commodity Exchange Authority in a form and manner approved by the Act Administrator.

¹Part 4 promulgated August 30, 1937, effective October 1, 1937; reprint of part 4, as amended, issued December 14, 1948 (13 F. R. 7845); amended March 2, 1954 (19 F. R. 1270); and July 30, 1957 (22 F. R. 6092).

Sec. 4.02 Time and place of filing reports on Form 400. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 400 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day.

Sec. 4.03 Errors or omissions in reports on Form 400. Reports on Form 400 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 401 AND 102

Sec. 4.04 "Special accounts" reported on Form 401. Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any butter future, resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 4.20 hereof, shall report such account daily to the Commodity Exchange Authority on Form 401 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 401.

For the purpose of reporting on Form 401 all accounts which belong to or are controlled by the same person shall be considered as one account. All accounts required to be reported on Form 401 shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 4.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 4.20 hereof shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 4.06 Time of filing reports on Form 401. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 401 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be

considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 4.07 Accounts reported on Form 401 shown by account number or code; identification on Form 102. Reports on Form 401 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 401 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 401. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 4.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 401, the names and addresses of all such persons shall be shown on Form 102.

Sec. 4.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 403

Sec. 4.10 Persons holding or controlling open contracts of specified size; reports on Form 403. Every *person* who holds or controls open contracts in any *one* butter future on any *one* contract market which equal or exceed the amount fixed by the Secretary of Agriculture (in sec. 4.21 hereof) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 403. Such report shall be made *daily*: *Provided*, That if on any day such person has no trades or transactions in any butter future previously reported and there has been no change in the open contracts of such person in any butter future, the last detailed report of such person shall be considered as his report on open contracts in butter futures on all intervening days. Such person shall also make a report on Form 403 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 4.21 hereof.

Sec. 4.11 Information shown in reports on Form 403. Reports made by any person on Form 403 shall show for the day covered thereby, by markets and by futures:

(a) the amount of open contracts held or controlled by such person in any and all butter futures on all boards of trade (exchanges) in the United States and elsewhere;

(b) the character of the open contracts held or controlled, i. e., whether hedging, spreading, or speculative;

(c) the amount of butter bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(d) the amount of such butter delivered by or to such person in settlement of future contracts.

For the purpose of subparagraph (b) hereof the term "hedging" shall have the same meaning as the term "bona fide hedging transactions" appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 4.12 Time of filing reports on Form 403. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 403 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 4.13 Assignment of code number. Upon receipt of the first report from any person on Form 403, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 403 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 4.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any butter future on any contract market equal to or in excess of the amount fixed in section 4.21 hereof shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 4.15 Information required upon call. Each person required to report on Form 403 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

AMOUNTS FIXED FOR REPORTING ON FORMS 401 AND 403

Sec. 4.20² Amount fixed for reporting on Form 401. For the purpose of sections 4.04 and 4.05, the amount specified for reporting accounts on Form 401 is 25 carlots, but such specified amount shall

² Sec. Nos. 4.16-4.19 reserved for future use.

not apply to special calls issued under authority of section 4.22 hereof.

Sec. 4.21 Amount fixed for reporting on Form 403. For the purpose of sections 4.10 and 4.14, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 403 is 25 carlots.

SPECIAL CALLS

Sec. 4.22 Special calls; reports on Form 401. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated butter future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 401, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 4.20 hereof shall have no application.

Sec. 4.23 Special calls; reports on Form 403. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any butter future shall, upon call, report all open contracts in butter futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 403 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 4.21 hereof shall have no application.

PART 5—SPECIAL PROVISIONS APPLICABLE TO EGGS¹

Reporting Requirements

Section 5.00 Definitions; "cash eggs"; "spot eggs"; "egg futures"; "each future"; "one future." The terms "cash eggs" and "spot eggs" shall have the same meaning and shall refer to transactions in actual eggs as distinguished from futures. The terms "egg future", "each future", and "one future" shall include contracts of the same kind and class maturing during the same delivery month.

FORM 500

Sec. 5.01 Daily reports on Form 500 by clearing member; information shown. Each *clearing member* of each board of trade (exchange) designated as a contract market for eggs shall report to the Commodity Exchange Authority each business day on Form 500 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 500, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all con-

¹Part 5 promulgated August 30, 1937, effective October 1, 1937; reprint of part 5, as amended, issued December 15, 1948 (13 F. R. 7847); amended April 30, 1952 (17 F. R. 4109), and March 2, 1954 (19 F. R. 1270); and July 30, 1957 (22 F. R. 6092).

tracts of sale of eggs for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for eggs shall report separately with respect to each such market. Such report shall show separately for each future:

(a) the total of all open accounts "long" and the total of all open accounts "short" carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of eggs bought and the quantity of eggs sold on such contracts during the period covered by the report; and

(d) the quantity of eggs delivered and the quantity of eggs received on such contracts during the period covered by the report.

The requirements of this section shall not apply to any clearing member of a board of trade (exchange) if, with respect to each clearing member thereof, such board of trade (exchange) reports the above-described information to the Commodity Exchange Authority in a form and manner approved by the Act Administrator.

Sec. 5.02 Time and place of filing reports on Form 500. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 500 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day.

Sec. 5.03 Errors or omissions in reports on Form 500. Reports on Form 500 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 501 AND 102

Sec. 5.04 "Special accounts" reported on Form 501. Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any egg future, resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 5.20 hereof, shall report such account daily to the Commodity Exchange Authority on Form 501 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 501.

For the purpose of reporting on Form 501, all accounts which belong to or are controlled by the same person shall be considered as one account. All accounts required to be reported on Form 501

shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 5.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 5.20 hereof shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 5.06 Time of filing reports on Form 501. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 501 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 5.07 Accounts reported on Form 501 shown by account number or code; identification on Form 102. Reports on Form 501 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 501 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 501. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 5.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 501, the names and addresses of all such persons shall be shown on Form 102.

Sec. 5.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 503

Sec. 5.10 Persons holding or controlling open contracts of specified size; reports on Form 503. Every *person* who holds or controls open contracts in any *one* egg future on any *one* contract

market which equal or exceed the amount fixed by the Secretary of Agriculture (in sec. 5.21 hereof) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 503. Such report shall be made *daily*: *Provided*, That if on any day such person has no trades or transactions in any egg future previously reported and there has been no change in the open contracts of such person in any egg future, the last detailed report of such person shall be considered as his report on open contracts in egg futures on all intervening days. Such person shall also make a report on Form 503 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 5.21 hereof.

Sec. 5.11 Information shown in reports on Form 503. Reports made by any person on Form 503 shall show for the day covered thereby, by markets and by futures:

(a) the amount of open contracts held or controlled by such person in any and all egg futures on all boards of trade (exchanges) in the United States and elsewhere;

(b) the character of the open contracts held or controlled, i. e., whether hedging, spreading, or speculative;

(c) the amount of eggs bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(d) the amount of such eggs delivered by or to such person in settlement of futures contracts.

For the purposes of subparagraph (b) hereof the term "hedging" shall have the same meaning as the term "bona fide hedging transactions" appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 5.12 Time of filing reports on Form 503. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 503 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 5.13 Assignment of code number. Upon receipt of the first report from any person on Form 503, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 503 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 5.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any egg future on any contract market equal to or in excess of the amount fixed in section 5.21 hereof shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of

all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 5.15 Information required upon call. Each person required to report on Form 503 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

FORM 504

Sec. 5.16 Merchandisers, processors, and dealers holding or controlling open contracts of specified size to report weekly on Form 504. Every person who is engaged in merchandising, processing, or dealing in eggs or egg products and who holds or controls open contracts in any egg future on any contract market which equal or exceed the amount fixed in section 5.21, shall report to the Commodity Exchange Authority on Form 504, which report shall be rendered as of the close of business on Friday of each week unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown.

Sec. 5.17 Information shown in reports on Form 504. Reports made by any person on Form 504 shall be prepared in accordance with the instructions appearing on Form 504 and shall contain the following information:

(a) the make-up of the cash-egg position of such person showing the amount of

(1) inventory of shell eggs in cold storage, including unfilled fixed-price purchase commitments and unfilled fixed-price sale commitments therein,

(2) inventory of shell eggs not in cold storage, including unfilled fixed-price purchase commitments therein, and

(3) inventory of egg products, including unfilled fixed-price purchase commitments and unfilled fixed-price sale commitments therein;

(b) the amount of the net long or net short cash-egg position of such person; and

(c) the amount of open contracts held by such person in all egg futures on all boards of trade (exchanges) in the United States and elsewhere.

Sec. 5.18 Cash-egg position; how determined. (a) In determining the cash-egg position of any person reporting on Form 504, such person shall use such standards and conversion factors applying to egg products as are usual and common to the business in which he is engaged. Such person shall upon request furnish the Commodity Exchange Authority with detailed information concerning the kind and amount of each product included in computing his cash-egg position and the conversion factor used for each such product.

(b) If, in determining the cash-egg position of such person for hedging purposes, it be his practice regularly to exclude certain shell eggs not in cold storage or egg products, they shall be excluded in reporting such cash-egg position on Form 504. Whenever such person shall acquire open contracts in any one egg future on any contract market which equal or exceed the amount fixed for reporting on Form 504, he shall indicate in his first report on Form 504 filed thereafter, and in his first report filed after September 30 of each year, the kind of shell eggs or egg products regularly excluded.

Sec. 5.19 Time of filing reports on Form 504. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 504 shall be filed with the Commodity Exchange Authority not later than the next business day following the day covered by the report: *Provided*, That reports may be transmitted by mail in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the last day allowed for filing.

AMOUNT FIXED FOR REPORTING ON FORMS 501, 503, AND 504

Sec. 5.20 Amount fixed for reporting on Form 501. For the purpose of sections 5.04 and 5.05, the amount specified for reporting accounts on Form 501 is 25 carlots, but such specified amount shall not apply to special calls issued under authority of section 5.22 hereof.

Sec. 5.21 Amount fixed for reporting on Forms 503 and 504. For the purpose of sections 5.10, 5.14, and 5.16, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 503 and Form 504 is 25 carlots.

SPECIAL CALLS

Sec. 5.22 Special calls; reports on Form 501. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated egg future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 501, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 5.20 hereof shall have no application.

Sec. 5.23 Special calls; reports on Form 503. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any egg future shall, upon call, report all open contracts in egg futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 503 and shall be prepared and filed in accordance with the in-

structions contained in the call. As to such calls the amount fixed for general reporting purposes in section 5.21 hereof shall have no application.

PART 6—SPECIAL PROVISIONS APPLICABLE TO POTATOES AND ONIONS¹

Reporting Requirements

Section 6.00 Definitions. The term “potatoes” as used in this part shall mean Irish potatoes. The term “vegetable” shall mean and include potatoes and onions. The term “cash potatoes” shall have the same meaning as the term “spot potatoes,” and the term “cash onions” shall have the same meaning as the term “spot onions.” These terms shall refer to transactions in actual potatoes and onions, respectively, as distinguished from potato futures and onion futures. The terms “potato future,” “onion future,” “each future,” and “one future” shall include contracts of the same kind and class maturing during the same delivery month.

FORM 600

Sec. 6.01 Daily reports on Form 600 by clearing members; information shown. Each *clearing member* of each board of trade (exchange) designated as a contract market for potatoes or onions shall report to the Commodity Exchange Authority each business day on Form 600 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 600, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all contracts of sale of potatoes and onions for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for potatoes or onions shall report separately with respect to each such market. Such report shall show separately for each future:

(a) the total of all open accounts “long” and the total of all open accounts “short” carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of potatoes and onions bought and the quantity sold on such contracts during the period covered by the report; and

(d) the quantity of potatoes and onions delivered and the quantity received on such contracts during the period covered by the report.

Sec. 6.02 Time and place of filing reports on Form 600. Unless otherwise authorized in writing by the Commodity Exchange Author-

¹ Part 6 promulgated August 30, 1937, effective October 1, 1937; reprint of part 6, as amended, issued December 15, 1948 (13 F. R. 7849); amended March 2, 1954 (19 F. R. 1270); August 26, 1955 (20 F. R. 6385); October 25, 1956 (21 F. R. 8284); and July 30, 1957 (22 F. R. 6092).

ity upon good cause shown, reports required to be made on Form 600 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day.

Sec. 6.03 Errors or omissions in reports on Form 600. Reports on Form 600 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 601 AND 102

Sec. 6.04 "Special accounts" reported on Form 601. Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any potato or onion future, resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 6.20 hereof, shall report such amount daily to the Commodity Exchange Authority on Form 601 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 601.

For the purpose of reporting on Form 601, all accounts which belong to or are controlled by the same person shall be considered as one account. All accounts required to be reported on Form 601 shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 6.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 6.20 hereof shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 6.06 Time of filing reports on Form 601. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 601 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 6.07 Accounts reported on Form 601 shown by account number or code; identification on Form 102. Reports on Form 601 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 601 it shall be identified on Form 102 and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 601. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 6.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 601, the names and addresses of all such persons shall be shown on Form 102.

Sec. 6.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 603

Sec. 6.10 Persons holding or controlling open contracts of specified size; reports on Form 603. Every *person* who holds or controls open contracts in any *one* potato or onion future on any *one* contract market which equal or exceed the amount fixed by the Secretary of Agriculture (in sec. 6.21 hereof) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 603. Such report shall be made *daily: Provided*, That if on any day such person has no trades or transactions in any potato or onion future previously reported and there has been no change in the open contracts of such person in any potato or onion future, the last detailed report of such person shall be considered as his report on open contracts in such potato or onion futures on all intervening days. Such person shall also make a report on Form 603 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 6.21 hereof.

Sec. 6.11 Information shown in reports on Form 603. Reports made by any person on Form 603 shall show for the day covered thereby, by markets and by futures, with respect to each vegetable in which the person reporting holds or controls open contracts in any one future thereof on or subject to the rules of any contract market equal to or in excess of the amount fixed in section 6.21:

(a) the amount of open contracts held or controlled by such person in all futures of such vegetable on all boards of trade (exchanges) in the United States or elsewhere;

(b) the character of the open contracts held or controlled, i. e., whether hedging, spreading, or speculative;

(c) the amount of such vegetable bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(d) the amount of such vegetable delivered by or to such person in settlement of futures contracts.

For the purpose of paragraph (b) of this section the term "hedging" shall have the same meaning as the term "bona fide hedging transactions" appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 6.12 Time of filing reports on Form 603. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 603 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 6.13 Assignment of code number. Upon receipt of the first report from any person on Form 603, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 603 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 6.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any potato or onion future on any contract market equal to or in excess of the amount fixed in section 6.21 hereof shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 6.15 Information required upon call. Each person required to report on Form 603 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

FORM 604

Sec. 6.16 Shippers, merchandisers, processors, and dealers holding or controlling open contracts of specified size in onion futures to report weekly on Form 604. Every person who is engaged in shipping, merchandising, processing, or dealing in onions or

onion products and who holds or controls open contracts in any one onion future on any contract market which equal or exceed the amount fixed in section 6.21, shall report to the Commodity Exchange Authority on Form 604, which report shall be rendered as of the close of business on Friday of each week unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown.

Sec. 6.17 Information shown in reports on Form 604. Reports made by any person on Form 604 shall be prepared in accordance with the instructions appearing on Form 604 and shall contain the following information:

(a) the makeup of the cash-onion position held or controlled by such person showing the amount of

(1) onions being raised or expected to be raised in the ensuing 12 months, including the acreage in each State,

(2) inventory (stocks) of onions in storage (other than cold storage) and in cold storage,

(3) onions in transit, by railroad (including cars on track), and by truck,

(4) unfilled fixed-price purchase commitments,

(5) unfilled fixed-price sales commitments,

(6) onion products, including unfilled fixed-price purchase and sales commitments; and

(b) the amount of open contracts held or controlled by such person in all onion futures on all boards of trade (exchanges) in the United States and elsewhere.

Sec. 6.18 Cash-onion position; how determined. (a) In determining the cash-onion position of any person reporting on Form 604, such person shall use such standards and such conversion factors as are usual and common to the business in which he is engaged. If, in determining the cash-onion position of such person for hedging purposes, it be his practice regularly to exclude certain products, such products shall be excluded in reporting such cash-onion position on Form 604.

(b) Such person shall upon request furnish the Commodity Exchange Authority with detailed information concerning the kind and amount of each product included in computing his cash-onion position and the conversion factor used for each such product.

Sec. 6.19 Time of filing reports on Form 604. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 604 shall be filed with the Commodity Exchange Authority not later than the next business day following the day covered by the report: *Provided*, That reports may be transmitted by mail in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the last day allowed for filing.

AMOUNTS FIXED FOR REPORTING ON FORMS 601 AND 603

Sec. 6.20 Amount fixed for reporting on Form 601. For the purpose of sections 6.04 and 6.05, the amount specified for reporting accounts on Form 601 is 25 carlots, but such specified amount shall

not apply to special calls issued under authority of section 6.22 hereof.

Sec. 6.21 Amount fixed for reporting on Form 603. For the purpose of sections 6.10 and 6.14, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 603 is 25 carlots.

SPECIAL CALLS

Sec. 6.22 Special calls; reports on Form 601. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated potato or onion future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 601, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 6.20 hereof shall have no application.

Sec. 6.23 Special calls; reports on Form 603. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any potato or onion future shall, upon call, report all open contracts in potato or onion futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 603 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 6.21 hereof shall have no application.

PART 7—SPECIAL PROVISIONS APPLICABLE TO MILLFEEDS¹

Reporting Requirements

Section 7.00 Definitions; “cash millfeed”; “spot millfeed”; “millfeed future”; “each future”; “one future.” The terms “cash millfeed” and “spot millfeed” shall have the same meaning and shall refer to transactions in actual millfeeds as distinguished from futures. The terms “millfeed future”, “each future”, and “one future” shall include contracts of the same kind and class maturing during the same delivery month.

FORM 700

Sec. 7.01 Daily reports on Form 700 by clearing members; information shown. Each clearing member of each board of trade (exchange) designated as a contract market for millfeeds shall report to the Commodity Exchange Authority each business day on Form 700 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 700, to be obtained from the Commodity Exchange Authority, and shall show

¹ Part 7 promulgated August 30, 1937, effective October 1, 1937; reprint of part 7, as amended, issued December 15, 1948 (13 F. R. 7851); amended March 2, 1954 (19 F. R. 1270).

accurately and fully the information called for with respect to all contracts of sale of millfeed for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for millfeeds shall report separately with respect to each such market. Such report shall show separately for each future:

(a) the total of all open accounts "long" and the total of all open accounts "short" carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of millfeed bought and the quantity of millfeed sold on such contracts during the period covered by the report; and

(d) the quantity of millfeed delivered and the quantity of millfeed received on such contracts during the period covered by the report.

Sec. 7.02 Time and place of filing reports on Form 700. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 700 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day. If there be no office of the Commodity Exchange Authority in such city, the reports shall be transmitted in accordance with instructions furnished by the Commodity Exchange Authority.

Sec. 7.03 Errors or omissions in reports on Form 700. Reports on Form 700 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 701 AND 102

Sec. 7.04 "Special accounts" reported on Form 701. Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any millfeed future, resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 7.20 hereof, shall report such amount daily to the Commodity Exchange Authority on Form 701 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 701.

For the purpose of reporting on Form 701, all accounts which belong to or are controlled by the same person shall be considered as one account. All accounts required to be reported on Form 701 shall be known as "special accounts" and the report thereon shall show the

net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 7.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 7.20 hereof shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 7.06 Time of filing reports on Form 701. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown reports required to be made on Form 701 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 7.07 Accounts reported on Form 701 shown by account number or code; identification on Form 102. Reports on Form 701 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 701 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 701. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 7.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 701, the names and addresses of all such persons shall be shown on Form 102.

Sec. 7.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 703

Sec. 7.10 Persons holding or controlling open contracts of specified size; reports on Form 703. Every *person* who holds or controls open contracts in any *one* millfeed future on any *one* contract market which equal or exceed the amount fixed by the Secretary

of Agriculture (in sec. 7.21 hereof) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 703. Such reports shall be made *daily: Provided*, That if on any day such person has no trades or transactions in any millfeed future previously reported and there has been no change in the open contracts of such person in any millfeed future, the last detailed report of such person shall be considered as his report on open contracts in millfeed futures on all intervening days. Such person shall also make a report on Form 703 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 7.21 hereof.

Sec. 7.11 Information shown in reports on Form 703. Reports made by any person on Form 703 shall show for the day covered thereby, by markets and by futures:

(a) the amount of open contracts held or controlled by such person in any and all millfeed futures on all boards of trade (exchanges) in the United States and elsewhere;

(b) the character of the open contracts held or controlled, i. e., whether hedging, spreading, or speculative;

(c) the amount of millfeed bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(d) the amount of such millfeed delivered by or to such person in settlement of futures contracts.

For the purposes of subparagraph (b) hereof the term "hedging" shall have the same meaning as the term "bona fide hedging transactions" appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 7.12 Time of filing reports on Form 703. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 703 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 7.13 Assignment of code number. Upon receipt of the first report from any person on Form 703, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 703 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 7.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any millfeed future on any contract market equal to or in excess of the amount fixed in section 7.21 hereof shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in

such contracts, together with such other pertinent information as may be called for.

Sec. 7.15 Information required upon call. Each person required to report on Form 703 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

AMOUNTS FIXED FOR REPORTING ON FORMS 701 AND 703

Sec. 7.20² Amount fixed for reporting on Form 701. For the purpose of Section 7.04 and 7.05, the amount specified for reporting accounts on Form 701 is 1,000 tons, but such specified amount shall not apply to special calls issued under authority of section 7.22 hereof.

Sec. 7.21 Amount fixed for reporting on Form 703. For the purpose of sections 7.10 and 7.14, the amount fixed by the Secretary of Agriculture under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 703 is 1,000 tons.

SPECIAL CALLS

Sec. 7.22 Special calls; reports on Form 701. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated millfeed future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 701, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 7.20 hereof shall have no application.

Sec. 7.23 Special calls; reports on Form 703. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any millfeed future shall, upon call, report all open contracts in millfeed futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 703 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 7.21 hereof shall have no application.

² Sec. Nos. 7.16-7.19 reserved for future use.

PART 8—SPECIAL PROVISIONS APPLICABLE TO WOOL AND WOOL TOPS¹

REPORTING REQUIREMENTS

Section 8.00 Definitions; “cash wool”; “spot wool”; “cash wool tops”; “spot wool tops.” The term “cash wool” shall have the same meaning as the term “spot wool”, and the term “cash wool tops” shall have the same meaning as the term “spot wool tops”. These terms shall refer to transactions in actual wool and wool tops, respectively, as distinguished from wool futures and wool top futures.

FORM 800

Sec. 8.01 Daily reports on Form 800 by clearing members; information shown. Each clearing member of each board of trade (exchange) designated as a contract market for wool or wool tops shall report to the Commodity Exchange Authority each business day on Form 800 applicable to such contract market. Such reports shall be prepared in accordance with the instructions appearing on Form 800, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all contracts of sale of wool and wool tops for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for wool or wool tops shall report separately with respect to each such market. Such report shall show separately for each future:

(a) the total of all open accounts “long” and the total of all open accounts “short” carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of wool and wool tops bought and the quantity sold on such contracts during the period covered by the report; and

(d) the quantity of wool and wool tops delivered and the quantity received on such contracts during the period covered by the report.

Sec. 8.02 Time and place of filing reports on Form 800. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 800 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day.

Sec. 8.03 Errors or omissions in reports on Form 800. Reports on Form 800 shall be prepared with care, and if any error or omis-

¹ Part 8 promulgated July 27, 1938, secs. 8.00 to 8.03, inclusive, effective August 1, 1938, secs. 8.04 to 8.15, inclusive, effective September 15, 1938; reprint of part 8, as amended, issued December 15, 1948 (13 F. R. 7852); amended May 28, 1952 (17 F. R. 5015), March 2, 1954 (19 F. R. 1270) and October 25, 1954 (19 F. R. 6880).

sion is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 801 AND 102

Sec. 8.04 “Special accounts” reported on Form 801. (a) *By whom reported.* Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any wool or wool top future, resulting from any transactions made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the applicable amount specified in section 8.20 hereof, shall report such account daily to the Commodity Exchange Authority on Form 801 applicable to such contract market. “House accounts” carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 801.

(b) *Accounts belonging to or controlled by the same person.* For the purpose of reporting on Form 801, all accounts which belong to or are controlled by the same person shall be considered one account. All accounts required to be reported on Form 801 shall be known as “special accounts” and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 8.05 Net position of account prior and subsequent to special account status. The report for the first day that a “special account” shows open contracts in any one future equal to or in excess of the applicable amount specified in section 8.20 hereof shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a “special account.”

Sec. 8.06 Time of filing reports on Form 801. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 801 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 8.07 Accounts reported on Form 801 shown by account number or code; identification on Form 102. Reports on Form 801 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 801 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked “Confidential”)

shall accompany the report on Form 801. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 8.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 801, the names and addresses of all such persons shall be shown on Form 102.

Sec. 8.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 803

Sec. 8.10 Persons holding or controlling open contracts of specified size; reports on Form 803. Every *person* who holds or controls open contracts in any *one* wool or wool top future on any *one* contract market which equal or exceed the applicable amount fixed by the Secretary of Agriculture (in sec. 8.21 hereof) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 803. Such reports shall be made *daily: Provided*, That if on any day such person has no trades or transactions in any wool or wool top future previously reported and there has been no change in the open contracts of such person in any wool or wool top future, the last detailed report of such person shall be considered as his report on open contracts in wool and wool top futures on all intervening days. Such person shall also make a report on Form 803 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 8.21 hereof.

Sec. 8.11 Information shown in reports on Form 803. (a) *Arranged by markets and futures.* Reports made by any person on Form 803 shall show for the day covered thereby, by markets and by futures:

(1) the amount of open contracts held or controlled by such person in any and all wool and wool top futures on all boards of trade (exchanges) in the United States and elsewhere;

(2) the character of the open contracts held or controlled, i. e., whether hedging, straddling, or speculative;

(3) the amount of wool and wool tops bought and the amount sold by such persons for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(4) the amount of wool and wool tops delivered by or to such person in settlement of futures contracts.

(b) *"Hedging", meaning of.* For the purpose of subparagraph (2) of paragraph (a) of this section the term "hedging" shall have the same meaning as the term "bona fide hedging transactions", appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 8.12 Time of filing reports on Form 803. Unless otherwise authorized in writing by the Commodity Exchange Authority upon

good cause shown, reports required on Form 803 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 8.13 Assignment of code number. Upon receipt of the first report from any person on Form 803, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 803 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 8.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any wool or wool top future on any contract market equal to or in excess of the applicable amount fixed in section 8.21 hereof shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 8.15 Information required upon call. Each person required to report on Form 803 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

AMOUNTS FIXED FOR REPORTING ON FORMS 801 AND 803

Sec. 8.20 Amounts fixed for reporting on Form 801. For the purpose of sections 8.04 and 8.05, the amounts specified for reporting accounts on Form 801 are, respectively, for wool, 150,000 pounds (clean content), and for wool tops, 125,000 pounds, but such specified amounts shall not apply to special calls issued under authority of section 8.22.

Sec. 8.21 Amounts fixed for reporting on Form 803. For the purpose of sections 8.10 and 8.14, the amounts fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 803 are, respectively, for wool, 150,000 pounds (clean content), and for wool tops, 125,000 pounds.

SPECIAL CALLS

Sec. 8.22 Special calls; reports on Form 801. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated wool or wool top future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 801, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 8.20 hereof shall have no application.

Sec. 8.23 Special calls; reports on Form 803. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any wool or wool top future shall, upon call, report all open contracts in wool and wool top futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 803 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 8.21 hereof shall have no application.

PART 9—SPECIAL PROVISIONS APPLICABLE TO FATS¹

Reporting Requirements

Section 9.00 Definitions; “fat”; “cash fat”; “spot fat.” The term “fat” shall mean and include lard and tallow. The terms “cash fat” and “spot fat” shall have the same meaning and shall refer to transactions in actual fat as distinguished from fat futures.

FORM 900

Sec. 9.01 Daily reports on Form 900 by clearing members; information shown. Each clearing member of each board of trade (exchange) designated as a contract market for any fat shall report to the Commodity Exchange Authority each business day on Form 900 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 900, to be obtained from the Commodity Exchange Authority and shall show accurately and fully the information called for with respect to all contracts of sale of fat for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for any fat shall report separately with respect to each such market. Such report shall show separately for each fat and each delivery month:

- (a) the total of all open accounts “long” and the total of all open accounts “short” carried by such clearing member at the

¹ Part 9 promulgated March 7, 1941, secs. 9.00 to 9.09, inclusive, secs. 9.20, 9.22, and 9.23, effective March 17, 1941; secs. 9.10 to 9.15, inclusive, and sec. 9.21, effective April 15, 1941; reprint of part 9, as amended, issued December 15, 1948 (13 F. R. 7854); amended May 6, 1949 (14 F. R. 2521), January 26, 1951 (16 F. R. 925), March 2, 1954 (19 F. R. 1270); and November 20, 1956 (21 F. R. 9165).

beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of fat bought and the quantity of fat sold on such contracts during the period covered by the report;

(d) the quantity of fat delivered and the quantity of fat received on such contracts during the period covered by the report; and

(e) the quantity of fat represented by delivery notices passed back to the clearing organization or passed on to other clearing members during the period covered by the report.

Sec. 9.02 Time and place of filing reports on Form 900. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 900 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day.

Sec. 9.03 Errors or omissions in reports on Form 900. Reports on Form 900 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 901 AND 102

Sec. 9.04 "Special accounts" reported on Form 901. (a) *By whom reported.* Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any future of any fat, resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 9.20, shall report such account daily to the Commodity Exchange Authority on Form 901 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 901.

(b) *Accounts belonging to or controlled by the same person.* For the purpose of reporting on Form 901, all accounts which belong to or are controlled by the same person shall be considered one account. All accounts required to be reported on Form 901 shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 9.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 9.20 shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below

such specified amount after having been reported as a "special account."

Sec. 9.06 Time of filing reports on Form 901. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 901 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions, furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 9.07 Accounts reported on Form 901 shown by account number or code; identification on Form 102. Reports on Form 901 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 901 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 901. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 9.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 901, the names and addresses of all such persons shall be shown on Form 102.

Sec. 9.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 903

Sec. 9.10 Persons holding or controlling open contracts of specified size; reports on Form 903. Every person who holds or controls open contracts in any *one* future of any fat on any *one* contract market which equal or exceed the amount fixed by the Secretary of Agriculture (in section 9.21) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 903. Such reports shall be made *daily*: *Provided*, That if on any day such person has no trades or transactions in any future of a fat previously reported and there has been no change in the open contracts of such person in any such fat, the last detailed report of such person shall be considered as his report on open contracts in such fat on all intervening days. Such person shall also make a report on Form 903 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 9.21.

Sec. 9.11 Information shown in reports on Form 903. (a) *Arranged by markets and futures.* Reports made by any person on Form 903 shall show for the day covered thereby, by markets and by futures, with respect to *each* fat in which the person reporting holds or controls open contracts in any one future thereof on or subject to the rules of any contract market equal to or in excess of the amount fixed in section 9.21:

(1) the amount of open contracts held or controlled by such person in all futures of such fat on all boards of trade (exchanges) in the United States and elsewhere;

(2) the character of the open contracts held or controlled, i. e., whether hedging, spreading (straddling), or speculative;

(3) the amount of such fat bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(4) the amount of such fat delivered by or to such person in settlement of futures contracts.

(b) *"Hedging", meaning of.* For the purpose of subparagraph (2) of paragraph (a) of this section the term "hedging" shall have the same meaning as the term "bonafide hedging transactions", appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 9.12 Time of filing reports on Form 903. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 903 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 9.13 Assignment of code number. Upon receipt of the first report from any person on Form 903, or upon application in advance the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 903 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 9.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any future of any fat on any contract market equal to or in excess of the amount fixed in section 9.21 shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 9.15 Information required upon call. Each person required to report on Form 903 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

AMOUNTS FIXED FOR REPORTING ON FORMS 901 AND 903

Sec. 9.20² Amount fixed for reporting on Form 901. For the purpose of sections 9.04 and 9.05, the amount specified for reporting accounts on Form 901 is 1,000,000 pounds, but such specified amount shall not apply to special calls issued under authority of section 9.22.

Sec. 9.21 Amount fixed for reporting on Form 903. For the purpose of sections 9.10 and 9.14, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 903 is 1,000,000 pounds.

SPECIAL CALLS

Sec. 9.22 Special calls; reports on Form 901. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated fat future equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 901, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 9.20 shall have no application.

Sec. 9.23 Special calls; reports on Form 903. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any fat future shall, upon call, report all open contracts in fat futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 903 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 9.21 shall have no application.

PART 10—SPECIAL PROVISIONS APPLICABLE TO OILS¹

Reporting Requirements

Section 10.00 Definitions; “oil”; “cash oil”; “spot oil.” The term “oil” shall mean and include cottonseed oil and soybean oil. The

¹ Part 10 promulgated March 7, 1941, secs. 10.00 to 10.09, inclusive, secs. 10.20, 10.22, and 10.23, effective March 17, 1941; secs. 10.10 to 10.15, inclusive, and sec. 10.21, effective April 15, 1941; reprint of part 10, as amended, issued December 15, 1948 (13 F. R. 7856); amended May 6, 1949 (14 F. R. 2521), January 26, 1951 (16 F. R. 925), March 2, 1954 (19 F. R. 1270); and November 20, 1956 (21 F. R. 9165).

² Sec. Nos. 9.16–9.19 reserved for future use.

terms "cash oil" and "spot oil" shall have the same meaning and shall refer to transactions in actual oil as distinguished from oil futures.

FORM 1000

Sec. 10.01 Daily reports on Form 1000 by clearing members; information shown. Each clearing member of each board of trade (exchange) designated as a contract market for any oil shall report to the Commodity Exchange Authority each business day on Form 1000 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 1000, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all contracts of sale of oil for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for any oil shall report separately with respect to each such market. Such report shall show separately for each oil and each delivery month:

(a) the total of all open accounts "long" and the total of all open accounts "short" carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of oil bought and the quantity of oil sold on such contracts during the period covered by the report;

(d) the quantity of oil delivered and the quantity of oil received on such contracts during the period covered by the report; and

(e) the quantity of oil represented by delivery notices passed back to the clearing organization or passed on to other clearing members during the period covered by the report.

Sec. 10.02 Time and place of filing reports on Form 1000. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 1000 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day.

Sec. 10.03 Errors or omissions in reports on Form 1000. Reports on Form 1000 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 1001 AND 102

Sec. 10.04 "Special accounts" reported on Form 1001. (a) *By whom reported.* Each futures commission merchant and each member of a contract market, who shall carry for another person any account in any future of any oil, resulting from any transaction made

on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 10.20, shall report such account daily to the Commodity Exchange Authority on Form 1001 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 1001.

(b) *Accounts belonging to or controlled by the same person.* For the purpose of reporting on Form 1001, all accounts which belong to or are controlled by the same person shall be considered one account. All accounts required to be reported on Form 1001 shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 10.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 10.20 shall show also the net position of such account in such future as of the close of the market on the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 10.06 Time of filing reports on Form 1001. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 1001 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 10.07 Accounts reported on Form 1001 shown by account number or code; identification on Form 102. Reports on Form 1001 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 1001 it shall be identified on Form 102, and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 1001. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 10.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 1001, the names and addresses of all such persons shall be shown on Form 102.

Sec. 10.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 1003

Sec. 10.10 Persons holding or controlling open contracts of specified size; reports on Form 1003. Every *person* who holds or controls open contracts in any *one* future of any oil on any *one* contract market which equal or exceed the amount fixed by the Secretary of Agriculture (in section 10.21) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 1003. Such reports shall be made *daily: Provided*, That if on any day such person has no trades or transactions in any future of an oil previously reported and there has been no change in the open contracts of such person in any such oil, the last detailed report of such person shall be considered as his report on open contracts in such oil on all intervening days. Such person shall also make a report on Form 1003 covering the day on which the amount of his open contracts in such future falls below the amount fixed in section 10.21.

Sec. 10.11 Information shown in reports on Form 1003. (a) *Arranged by markets and futures.* Reports made by any person on Form 1003 shall show for the day covered thereby, by markets and by futures, with respect to *each* oil in which the person reporting holds or controls open contracts in any one future thereof on or subject to the rules of any contract market equal to or in excess of the amount fixed in section 10.21:

(1) the amount of open contracts held or controlled by such person in all futures of such oil on all boards of trade (exchanges) in the United States and elsewhere;

(2) the character of the open contracts held or controlled, i. e., whether hedging, spreading (straddling), or speculative;

(3) the amount of such oil bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(4) the amount of such oil delivered by or to such person in settlement of futures contracts.

(b) *"Hedging", meaning of.* For the purpose of subparagraph (2) of paragraph (a) of this section the term "hedging" shall have the same meaning as the term "bona fide hedging transactions", appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 10.12 Time of filing reports on Form 1003. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 1003 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority.

Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 10.13 Assignment of code number. Upon receipt of the first report from any person on Form 1003, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 1003 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 10.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any future of any oil on any contract market equal to or in excess of the amount fixed in section 10.21 shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 10.15 Information required upon call. Each person required to report on Form 1003 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

AMOUNTS FIXED FOR REPORTING ON FORMS 1001 AND 1003

Sec. 10.20² Amount fixed for reporting on Form 1001. For the purpose of sections 10.04 and 10.05, the amount specified for reporting accounts on Form 1001 is 1,500,000 pounds, but such specified amount shall not apply to special calls issued under authority of section 10.22.

Sec. 10.21 Amount fixed for reporting on Form 1003. For the purpose of sections 10.10 and 10.14, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 1003 is 1,500,000 pounds.

SPECIAL CALLS

Sec. 10.22 Special calls; reports on Form 1001. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts

² Sec. Nos. 10.16-10.19 reserved for future use.

carried by him which show open contracts in any designated oil future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 1001, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 10.20 shall have no application.

Sec. 10.23 Special calls; reports on Form 1003. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any oil future shall, upon call, report all open contracts in oil futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 1003 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 10.21 shall have no application.

PART 11—SPECIAL PROVISIONS APPLICABLE TO COTTONSEED MEAL AND SOYBEAN MEAL¹

Reporting Requirements

Section 11.00 Definitions; “meal”; “cash meal”; “spot meal.” The term “meal” shall mean and include cottonseed meal and soybean meal. The terms “cash meal” and “spot meal” shall have the same meaning and shall refer to transactions in actual meal as distinguished from meal futures.

FORM 1100

Sec. 11.01 Daily reports on Form 1100 by clearing members; information shown. Each clearing member of each board of trade (exchange) designated as a contract market for any meal shall report to the Commodity Exchange Authority each business day on Form 1100 applicable to such contract market. Such report shall be prepared in accordance with the instructions appearing on Form 1100, to be obtained from the Commodity Exchange Authority, and shall show accurately and fully the information called for with respect to all contracts of sale of meal for future delivery to which such clearing member is a party either as buyer or seller, made on or subject to the rules of the contract market covered by the report. Persons who are clearing members of more than one contract market for any meal shall report separately with respect to each such market. Such report shall show separately for each meal and each delivery month:

(a) the total of all open accounts “long” and the total of all open accounts “short” carried by such clearing member, at the beginning and at the end of the period covered by the report, including his own accounts as well as the accounts of other persons;

¹ Part 11 promulgated March 7, 1941, secs. 11.00 to 11.09, inclusive, secs. 11.20, 11.22 and 11.23, effective March 17, 1941; secs. 11.10 to 11.15, inclusive, and sec. 11.21, effective April 15, 1941; reprint of part 11, as amended, issued December 15, 1948 (13 F. R. 7858); amended January 6, 1950 (15 F. R. 166), November 2, 1951 (16 F. R. 11336), March 2, 1954 (19 F. R. 1270).

(b) the net position of such clearing member in respect to all accounts and contracts open on his books at the end of the period covered by the report;

(c) the quantity of meal bought and the quantity of meal sold on such contracts during the period covered by the report;

(d) the quantity of meal delivered and the quantity of meal received on such contracts during the period covered by the report; and

(e) the quantity of meal represented by delivery notices passed back to the clearing organization or passed on to other clearing members during the period covered by the report.

Sec. 11.02 Time and place of filing reports on Form 1100. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 1100 shall be filed in the office of the Commodity Exchange Authority in the city where the contract market covered by the report is located, as soon as possible after the close of the market on each business day and not later than 30 minutes before the official opening of the market on the next following business day. If there be no office of the Commodity Exchange Authority in such city, the reports shall be transmitted in accordance with instructions furnished by the Commodity Exchange Authority.

Sec. 11.03 Errors or omissions in reports on Form 1100. Reports on Form 1100 shall be prepared with care, and if any error or omission is discovered in any report a memorandum thereof shall be furnished as soon as possible. Minor corrections may be shown in the next succeeding report.

FORMS 1101 AND 102

Sec. 11.04 "Special accounts" reported on Form 1101. (a) *By whom reported.* Each *futures commission merchant* and each *member* of a contract market, who shall carry for another person any account in any future of any meal, resulting from any transaction made on or subject to the rules of a contract market, which shall show open contracts in any one future equal to or in excess of the amount specified in section 11.20, shall report such account daily to the Commodity Exchange Authority on Form 1101 applicable to such contract market. "House accounts" carried by a member of a contract market or by a futures commission merchant shall likewise be reported on Form 1101.

(b) *Accounts belonging to or controlled by the same person.* For the purpose of reporting on Form 1101, all accounts which belong to or are controlled by the same person shall be considered one account. All accounts required to be reported on Form 1101 shall be known as "special accounts" and the report thereon shall show the net position, as of the close of the market on the day covered by the report, of each such account in each future in which there are open contracts equal to or in excess of such specified amount.

Sec. 11.05 Net position of account prior and subsequent to special account status. The report for the first day that a "special account" shows open contracts in any one future equal to or in excess of the amount specified in section 11.20 shall show also the net position of such account in such future as of the close of the market on

the last preceding business day. Such account shall also be reported on the first day that the net position thereof in such future falls below such specified amount after having been reported as a "special account."

Sec. 11.06 Time of filing reports on Form 1101. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required to be made on Form 1101 shall be filed with the Commodity Exchange Authority not later than 30 minutes before the official opening of the market on the next following business day: *Provided*, That futures commission merchants and members of contract markets that are not located in a city where the Commodity Exchange Authority has an office, may transmit such reports by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 11.07 Accounts reported on Form 1101 shown by account number or code; identification on Form 102. Reports on Form 1101 shall be prepared in accordance with the instructions appearing thereon. Each account reported shall be designated by account number or code and when such account number or code appears for the first time on Form 1101 it shall be identified on Form 102 and such identification (transmitted in a separate sealed envelope marked "Confidential") shall accompany the report on Form 1101. An account number or code once identified on Form 102 shall not thereafter be changed or assigned to any other account without the prior approval of the Commodity Exchange Authority.

Sec. 11.08 Persons controlling or having participating financial interest in accounts shown on Form 102. If more than one person shall have control over or be known to have a participating financial interest in any account reported on Form 1101, the names and addresses of all such persons shall be shown on Form 102.

Sec. 11.09 Character of accounts shown on Form 102. In identifying accounts on Form 102 the person reporting shall indicate the character of such accounts, i. e., whether hedging, speculative, or commission house.

CROSS REFERENCE: For requirements pertaining to reports by persons located outside of the United States and its territories who carry accounts for others, see § 1.47 of Part 1.

FORM 1103

Sec. 11.10 Persons holding or controlling open contracts of specified size; reports on Form 1103. Every person who holds or controls open contracts in any *one* future of any meal on any *one* contract market which equal or exceed the amount fixed by the Secretary of Agriculture (in section 11.21) for reporting purposes under section 4i (2) of the Commodity Exchange Act shall report to the Commodity Exchange Authority on Form 1103. Such reports shall be made *daily*: *Provided*, That if on any day such person has no trades or transactions in any future of a meal previously reported and there has been no change in the open contracts of such person in any such meal, the last detailed report of such person shall be considered as his report on open contracts in such meal on all intervening days. Such person shall also make a report on Form 1103 covering the day

on which the amount of his open contracts in such future falls below the amount fixed in section 11.21.

Sec. 11.11 Information shown in reports on Form 1103. (a) *Arranged by markets and futures.* Reports made by any person on Form 1103 shall show for the day covered thereby, by markets and by futures, with respect to *each* meal in which the person reporting holds or controls open contracts in any one future thereof on or subject to the rules of any contract market equal to or in excess of the amount fixed in section 11.21:

(1) the amount of open contracts held or controlled by such person in all futures of such meal on all boards of trade (exchanges) in the United States and elsewhere;

(2) the character of the open contracts held or controlled, i. e., whether hedging, spreading (straddling), or speculative;

(3) the amount of such meal bought and the amount sold by such person for future delivery on all boards of trade (exchanges) in the United States and elsewhere; and

(4) the amount of such meal delivered by or to such person in settlement of futures contracts.

(b) *"Hedging," meaning of.* For the purpose of subparagraph (2) of paragraph (a) of this section the term "hedging" shall have the same meaning as the term "bona fide hedging transactions", appearing in paragraph (3) of section 4a of the Commodity Exchange Act.

Sec. 11.12 Time of filing reports on Form 1103. Unless otherwise authorized in writing by the Commodity Exchange Authority upon good cause shown, reports required on Form 1103 shall be filed with the Commodity Exchange Authority as soon as possible after the close of business on the day covered by the report and in any event not later than 9 o'clock a. m. on the next following business day: *Provided*, That reports may be transmitted by mail, in accordance with instructions furnished by the Commodity Exchange Authority. Reports received by mail will be considered duly filed if postmarked not later than midnight of the day covered by the report.

Sec. 11.13 Assignment of code number. Upon receipt of the first report from any person on Form 1103, or upon application in advance, the Commodity Exchange Authority will assign to such person a code number. In all reports on Form 1103 filed thereafter, such code number shall be used instead of the name of such person.

Sec. 11.14 Books and records kept, information furnished, by persons holding or controlling open contracts of specified size. Persons having or controlling open contracts in any future of any meal on any contract market equal to or in excess of the amount fixed in section 11.21 shall keep books and records showing the details concerning such contracts and all related transactions, and upon request shall furnish the Commodity Exchange Authority with the names and addresses of all futures commission merchants and board of trade members with whom or through whom such contracts are held and of all persons having a participating financial interest in such contracts, together with such other pertinent information as may be called for.

Sec. 11.15 Information required upon call. Each person required to report on Form 1103 shall,

(a) if a partnership, furnish upon call the name and address of each partner;

(b) if a corporation, furnish upon call the name and address of each stockholder who owns or controls 20 percent or more of the capital stock of such corporation; and

(c) if an association or trust, furnish upon call the name and address of each person participating in the management or having any financial or beneficial interest in the trading operations of such association or trust.

Such information shall be furnished to the Commodity Exchange Authority upon call in accordance with instructions contained in the call.

AMOUNTS FIXED FOR REPORTING ON FORMS 1101 AND 1103

Sec. 11.20² Amount fixed for reporting on Form 1101. For the purpose of sections 11.04 and 11.05, the amount specified for reporting accounts on Form 1101 is ~~2~~1,500 tons, but such specified amount shall not apply to special calls issued under authority of section 11.22.

Sec. 11.21 Amount fixed for reporting on Form 1103. For the purpose of sections 11.10 and 11.14, the amount fixed by the Secretary of Agriculture, under authority of section 4i (2) of the Commodity Exchange Act, for reporting on Form 1103 is ~~2~~1,500 tons.

SPECIAL CALLS

Sec. 11.22 Special calls; reports on Form 1101. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market and each futures commission merchant shall, upon call, report all accounts carried by him which show open contracts in any designated meal future equal to or in excess of the amount specified in the call. Such report shall be made to the Commodity Exchange Authority on Form 1101, and shall be prepared and filed in accordance with instructions contained in the call. As to such calls, the amount specified for general reporting purposes in section 11.20 shall have no application.

Sec. 11.23 Special calls; reports on Form 1103. Whenever in the judgment of the Act Administrator there is danger of congestion in any delivery month, each member of a contract market who holds or controls open contracts in any meal future shall, upon call, report all open contracts in meal futures held or controlled by him if the amount thereof be equal to or in excess of the amount specified in the call. Such reports shall be made to the Commodity Exchange Authority on Form 1103 and shall be prepared and filed in accordance with the instructions contained in the call. As to such calls the amount fixed for general reporting purposes in section 11.21 shall have no application.

NOTE.—The reporting and record-keeping requirements contained in the foregoing rules and regulations (parts 1 to 11, inclusive) have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

² Sec. Nos. 11.16–11.19 reserved for future use.

**ORDER OF SECRETARY OF AGRICULTURE UNDER SECTION 5a (4)
OF THE COMMODITY EXCHANGE ACT**

UNITED STATES OF AMERICA

Before the Secretary of Agriculture

[Hearing Docket C. E. A. No. 2]

**IN THE MATTER OF A DELIVERY PERIOD AFTER THE CLOSE OF TRADING
IN FUTURES IN WHEAT, CORN, OATS, BARLEY, RYE, AND FLAXSEED.**

Findings

1. Due notice of a public hearing in this matter was published in the November 12, 1937, issue of the Federal Register, was sent by mail to each contract market on November 12, 1937, and was sent by mail to each registered futures commission merchant and floor broker on November 17, 1937.

2. In accordance with such notice, a public hearing was held in Room 300, Board of Trade Building, Chicago, Ill., beginning at 10 o'clock a. m. on November 30, 1937, at which all persons were given opportunity to hear, present, refute, and comment upon evidence in the premises.

3. Hedging and speculation, rather than receiving and delivering the commodity, are the purposes for which the major portion of contracts for future delivery of wheat, corn, oats, barley, rye, and flaxseed are made on contract markets.

4. Usually, a very large proportion of futures contracts in such commodities on contract markets is closed out by offset as the end of the delivery month approaches, only a small percentage being settled by delivery.

5. When it appears that there might be a scarcity of the deliverable commodity, the long interests, while not desiring the commodity itself, not infrequently stand for delivery to profit from the temporary price advance caused by the efforts of shorts to cover or to obtain the deliverable cash commodity, and a "squeeze" and market congestion occur.

6. In promoting the "squeeze" situation, longs frequently withhold supplies of the deliverable commodity in their control from the cash market, further inflating the local price, which must tumble when the delivery period ends and the longs dispose of their unwanted supplies.

7. The artificial local price thus created draws the commodity from its normal channels to the local market, where it is not needed after it is delivered, resulting in market congestion in the cash commodity and fluctuations endangering price stability.

8. If there is provision for a period of 7 business days during which contracts for future delivery in the current month of wheat, corn, oats, barley, rye, or flaxseed may be settled by delivery after

trading in such contracts has ceased, the longs will know in advance that the deliverable commodity can be brought into the market from a large surrounding area, and such knowledge will tend to discourage attempts to cause a "squeeze."

9. Provision for such a period of 7 business days, therefore, with respect to such commodities, on every contract market on which there is trading in futures therein, will tend to prevent "squeezes" and market congestion endangering price stability.

Order

Section 100.1 Delivery period required with respect to certain grains. A period of 7 business days is ordered and required during which contracts for future delivery in the current delivery month of wheat, corn, oats, barley, rye, or flaxseed may be settled by delivery of the actual cash commodity after trading in such contracts has ceased, for each delivery month after May 1938, on all contract markets on which there is trading in futures in any of such commodities, and such contract markets, and each of them, are directed to provide therefor.

[Issued February 17, 1938 : 3 F. R. 418]

ORDERS OF COMMODITY EXCHANGE COMMISSION ESTABLISHING
LIMITS ON POSITION AND DAILY TRADING IN SPECIFIED COM-
MODITIES, PURSUANT TO SECTION 4a OF THE COMMODITY EX-
CHANGE ACT

Section 150.1 Limits on position and daily trading in wheat, corn, oats, barley, and flaxseed for future delivery. The following limits on the amount of trading under contracts of sale of grain for future delivery on or subject to the rules of contract markets which may be done by any person are hereby proclaimed and fixed, to be in full force and effect on and after December 31, 1938:

(a) *Position limits.* (1) The limit on the maximum net long or net short position which any one person may hold or control in any one grain on any one contract market, except as specifically authorized by paragraph (a) (2) of this section, is: 2,000,000 bushels in any one future or in all futures combined.

(2) To the extent that the net position held or controlled by any one person in all futures combined in any one grain on any one contract market is shown to represent spreading in the same grain between markets, the limit on net position in all futures combined set forth in paragraph (a) (1) of this section may be exceeded on such contract market, but in no case shall the excess result in a net position of more than 3,000,000 bushels in all futures combined nor more than 2,000,000 bushels in any one future.

(b) *Daily trading limits.* (1) The limit on the maximum amount which any person may buy, and on the maximum amount which any person may sell, of any one grain on any one contract market during any one business day, except as specifically authorized by paragraph (b) (2) of this section, is: 2,000,000 bushels in any one future or in all futures combined.

(2) To the extent that purchases or sales of any one grain on any one contract market during any one business day made by any person are shown to represent spreading, or the closing of spreads, in the same grain between markets, the limit set forth in paragraph (b) (1) of this section may be exceeded on such contract market, but in no case shall the excess result in total purchases of more than 3,000,000 bushels, or total sales of more than 3,000,000 bushels, and in no event shall such person's total purchases or total sales, during any one business day, in any one future exceed 2,000,000 bushels.

(c) *Bona fide hedging.* The foregoing limits upon position and upon daily trading shall not be construed to apply to bona fide hedging transactions as defined in section 4a (3) of the Commodity Exchange Act.

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained in this section shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market, or its governing board,

from responsibility to prevent manipulation and corners under section 5 (d) of the Commodity Exchange Act.

(e) *Definitions.* As used herein, the word "grain" includes wheat, corn, oats, barley, and flaxseed, and the word "person" includes individuals, associations, partnerships, corporations, and trusts.

[Issued December 22, 1938, amended November 23, 1945; 3 F. R. 3146, 10 F. R. 14363]

Sec. 150.2 Limits on position and daily trading in cotton for future delivery. It is hereby ordered that the following limits on the amount of speculative trading under contracts of sale of cotton for future delivery, on or subject to the rules of any contract market, which may be done by any person, be, and they are hereby, proclaimed and fixed, to be in full force and effect on and after September 5, 1940:

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in cotton on any one contract market is 30,000 bales in any one future or in all futures combined.

(b) *Daily trading limit.* The limit on the maximum amount of cotton which any person may buy, and on the maximum amount which any person may sell, on any one contract market during any one business day is 30,000 bales in any one future.

(c) *Bona fide hedging; straddles.* The foregoing limits upon position and upon daily trading shall not be construed to apply to bona fide hedging transactions, as defined in paragraph 3 of section 4a of the Commodity Exchange Act (7 U. S. C., Sup. V, sec. 6a (3)), nor, except during the delivery month, to (1) net positions in any one future to the extent that they are shown to represent straddles between cotton futures or markets, or (2) purchases and sales of cotton which are shown to represent straddles or the closing of straddles between futures or markets.

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under paragraph (d) of section 5 of the Commodity Exchange Act (7 U. S. C., Sup. V, sec. 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein, the word "person" includes individuals, associations, partnerships, corporations, and trusts.

[Issued August 26, 1940, amended April 2, 1947; 5 F. R. 3198, 12 F. R. 2287]

Sec. 150.3 Limits on position and daily trading in rye for future delivery. It is hereby ordered that the following limits on the amount of trading under contracts of sale of rye for future delivery on or subject to the rules of any contract market, which may be done by any person, be, and they are hereby, proclaimed and fixed, to be in full force and effect on and after December 3, 1945:

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in rye on or subject to the rules of any one contract market is 500,000 bushels in any one future or in all futures combined.

(b) *Daily trading limit.* The limit on the maximum amount of rye which any person may buy, and on the maximum amount which

any person may sell, on or subject to the rules of any one contract market during any one business day is 500,000 bushels in any one future or in all futures combined.

(c) *Bona fide hedging.* The foregoing limits upon position and upon daily trading shall not be construed to apply to bona fide hedging transactions, as defined in paragraph (3) of section 4a of the Commodity Exchange Act (7 U. S. C. 6a (3)).

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under paragraph (d) of section 5 of the Commodity Exchange Act (7 U. S. C. 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein, the word "person" includes individuals, associations, partnerships, corporations, and trusts.

[Issued November 23, 1945; 10 F. R. 14363]

Sec. 150.4 Limits on position and daily trading in soybeans for future delivery. The following limits on the amount of trading under contracts of sale of soybeans for future delivery on or subject to the rules of any contract market, which may be done by any person, are hereby proclaimed and fixed, to be in full force and effect on and after October 1, 1951:

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in soybeans on or subject to the rules of any one contract market is 2,000,000 bushels in any one future or in all futures combined. [As amended November 10, 1953.]

(b) *Daily trading limit.* The limit on the maximum amount of soybeans which any person may buy, and on the maximum amount which any person may sell, on or subject to the rules of any one contract market during any one business day is 2,000,000 bushels in any one future or in all futures combined. [As amended November 10, 1953.]

(c) *Bona fide hedging.* The foregoing limits upon position and upon daily trading shall not be construed to apply to bona fide hedging transactions, as defined in section 4a (3) of the Commodity Exchange Act (7 U. S. C. 6a (3)).

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under section 5 (d) of the Commodity Exchange Act (7 U. S. C. 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein, the word "person" includes individuals, associations, partnerships, corporations, and trusts.

[Issued August 13, 1951, amended November 10, 1953; F. R. 8107, 18 F. R. 7230]

Sec. 150.5 Limits on position and daily trading in eggs for future delivery. The following limits on the amount of trading under contracts of sale of eggs for future delivery on or subject to the rules of any contract market, which may be done by any person, are hereby proclaimed and fixed, to be in full force and effect on and after October 1, 1951:

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in eggs on or subject to the rules of any one contract market is 150 carlots in any one future or in all futures combined: *Provided*, That no person may hold or control a net long or net short position in excess of (1) 100 carlots in the October egg future, (2) 75 carlots in the November egg future, (3) 50 carlots in the December egg future, or (4) 50 carlots in the January egg future.

(b) *Daily trading limit.* The limit on the maximum amount of eggs which any person may buy, and on the maximum amount which any person may sell, on or subject to the rules of any one contract market during any one business day is 150 carlots in any one future or in all futures combined: *Provided*, That no person may buy or sell during any one business day more than (1) 100 carlots in the October egg future, (2) 75 carlots in the November egg future, (3) 50 carlots in the December egg future, or (4) 50 carlots in the January egg future.

(c) *Bona fide hedging.* The foregoing limits upon position and upon daily trading shall not be construed to apply to bona fide hedging transactions, as defined in section 4a (3) of the Commodity Exchange Act (7 U. S. C. 6a (3)).

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under section 5 (d) of the Commodity Exchange Act (7 U. S. C. 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein, the word "person" includes individuals, associations, partnerships, corporations, and trusts.

[Issued August 13, 1951 ; 16 F. R. 8106]

Sec. 150.6 Limits on position and daily trading in cottonseed oil for future delivery. The following limits on the amount of trading under contracts of sale of cottonseed oil for future delivery on or subject to the rules of any contract market, which may be done by any person, are hereby proclaimed and fixed:

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in cottonseed oil on or subject to the rules of any one contract market is 3,600,000 pounds in any one future or in all futures combined.

(b) *Daily trading limit.* The limit on the maximum amount of cottonseed oil which any person may buy, and on the maximum amount which any person may sell, on or subject to the rules of any one contract market during any one business day is 3,600,000 pounds in any one future or in all futures combined.

(c) *Exemptions.* The foregoing limits upon position and upon daily trading shall not be construed to apply to:

(1) bona fide hedging transactions, as defined in section 4a (3) of the Commodity Exchange Act (7 U. S. C. 6a (3)) ;

(2) transactions or net positions in cottonseed oil futures by a processor or merchandiser of or dealer in an edible fat or oil other than cottonseed oil, to the extent that the bona fide purpose and the reasonable effect of such transactions or positions are to

offset the price risk incident to the ownership, purchase, or sale of such edible fat or oil, provided such price risk is not otherwise offset; nor

(3) Sales or net short positions (or the closing out thereof) by a processor of edible oil-bearing seeds or similar oil-bearing raw materials, to the extent that such sales or net short positions are offset in quantity by the oil content of such edible oil-bearing seeds or similar oil-bearing raw materials owned or purchased by such processor, provided the price risk incident to such ownership or purchase is not otherwise offset.

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under section 5 (d) of the Commodity Exchange Act (7 U. S. C. 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein the word "person" includes individuals, associations, partnerships, corporations, and trusts.

(f) *Effective date.* The position and daily trading limits herein proclaimed and fixed shall be in full force and effect on and after such date as shall hereafter be announced by the Commodity Exchange Commission, by notice published in the Federal Register at least 30 days prior to such effective date.

[As amended January 22, 1954 ; 19 F. R. 449]

Sec. 150.7 Limits on position and daily trading in soybean oil for future delivery. The following limits on the amount of trading under contracts of sale of soybean oil for future delivery on or subject to the rules of any contract market, which may be done by any person, are hereby proclaimed and fixed :

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in soybean oil on or subject to the rules of any one contract market is 3,000,000 pounds in any one future or in all futures combined.

(b) *Daily trading limit.* The limit on the maximum amount of soybean oil which any person may buy, and on the maximum amount which any person may sell, on or subject to the rules of any one contract market during any one business day is 3,000,000 pounds in any one future or in all futures combined.

(c) *Exemptions.* The foregoing limits upon position and upon daily trading shall not be construed to apply to :

(1) bona fide hedging transactions, as defined in section 4a (3) of the Commodity Exchange Act (7 U. S. C. 6a (3)) ;

(2) transactions or net positions in soybean oil futures by a processor or merchandiser of or dealer in an edible fat or oil other than soybean oil, to the extent that the bona fide purpose and the reasonable effect of such transactions or positions are to offset the price risk incident to the ownership, purchase, or sale of such edible fat or oil, provided such price risk is not otherwise offset; nor

(3) sales or net short positions (or the closing out thereof) by a processor of edible oil-bearing seeds or similar oil-bearing raw materials, to the extent that such sales or net short positions

are offset in quantity by the oil content of such edible oil-bearing seeds or similar oil-bearing raw materials owned or purchased by such processor, provided the price risk incident to such ownership or purchase is not otherwise offset.

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under section 5(d) of the Commodity Exchange Act (7 U. S. C. 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein the word "person" includes individuals, associations, partnerships, corporations, and trusts.

(f) *Effective date.* The position and daily trading limits herein proclaimed and fixed shall be in full force and effect on and after such date as shall hereafter be announced by the Commodity Exchange Commission, by notice published in the Federal Register at least 30 days prior to such effective date.

[As amended January 22, 1954 ; 19 F. R. 450]

Sec. 150.8 Limits on position and daily trading in lard for future delivery. The following limits on the amount of trading under contracts of sale of lard for future delivery on or subject to the rules of any contract market, which may be done by any person, are hereby proclaimed and fixed :

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in lard on or subject to the rules of any one contract market is 1,600,000 pounds in any one future or in all futures combined.

(b) *Daily trading limit.* The limit on the maximum amount of lard which any person may buy, and on the maximum amount which any person may sell, on or subject to the rules of any one contract market during any one business day is 1,600,000 pounds in any one future or in all futures combined.

(c) *Exemptions.* The foregoing limits upon position and upon daily trading shall not be construed to apply to :

(1) bona fide hedging transactions, as defined in section 4a (3) of the Commodity Exchange Act (7 U. S. C. 6a (3)) ;

(2) transactions or net positions in lard futures by a processor or merchandiser of or dealer in an edible fat or oil other than lard, to the extent that the bona fide purpose and the reasonable effect of such transactions or positions are to offset the price risk incident to the ownership, purchase, or sale of such edible fat or oil, provided such price risk is not otherwise offset ; nor

(3) sales or net short positions (or the closing out thereof) by a packer or processor of lard to the extent that such sales or net short positions are offset in quantity by the lard yield of live or dressed hogs owned or purchased by such packer or processor, provided the price risk incident to such ownership or purchase is not otherwise offset.

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from respon-

sibility under section 5 (d) of the Commodity Exchange Act (7 U. S. C. 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein the word "person" includes individuals, associations, partnerships, corporations, and trusts.

(f) *Effective date.* The position and daily trading limits herein proclaimed and fixed shall be in full force and effect on and after such date as shall hereafter be announced by the Commodity Exchange Commission, by notice published in the Federal Register at least 30 days prior to such effective date.

[As amended January 22, 1954; 19 F. R. 451]

Sec. 150.9 Limits on position and daily trading in onions for future delivery. The following limits on the amount of trading under contracts of sale of onions for future delivery on or subject to the rules of any contract market, which may be done by any person, are hereby proclaimed and fixed, to be in full force and effect on and after September 1, 1956:

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in onions on or subject to the rules of any one contract market is 100 carlots in any one future or 200 carlots in all futures combined.

(b) *Daily trading limit.* The limit on the maximum amount of onions which any person may buy, and on the maximum amount which any person may sell, on or subject to the rules of any one contract market during any one business day is 100 carlots in any one future or 200 carlots in all futures combined.

(c) *Bona fide hedging.* The foregoing limits upon position and upon daily trading shall not be construed to apply to bona fide hedging transactions, as defined in section 4a (3) of the Commodity Exchange Act (7 U. S. C. 1952 ed. § 6a (3)).

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under section 5 (d) of the Commodity Exchange Act (7 U. S. C. 1952 ed. § 7 (d)) to prevent manipulation and corners.

(e) *Definition.* As used herein, the word "person" includes individuals, associations, partnerships, corporations, and trusts.

[Issued July, 1956; 21 F. R. 5575]

